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Southeast Asia Report

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18 January 1984

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BURMA

CLANDESTINE RADIO REPORTS MILITARY ACTIVITY

Guerrilla Attacks in Bhamo Area

BK241619 (Clandestine) Voice of the People of Burma in Burmese 1200 GMT
24 Dec 83

[Combat news]

[Text] On 19 November a guerrilla attack against an advance unit of the 4th Company of the military government's mercenary 10th Infantry Regiment in (Mae Min) village in Si-u District in northern Shan State killed an enemy soldier and wounded three others.

On 1 December three enemy soldiers were killed and five were wounded during two clashes on (Nahta) Mountain, located southeast of Si-u in Bhamo, with the 2d Company from Military Column No 2 of the mercenary 3d Infantry Regiment.

On 4 December a clash occurred near (Makyauk) village, located southeast of Si-u in Bhamo District. During the clash, nine mercenaries, including a mercenary officer, were wounded. Also, 370 rounds of G-3 and G-4 ammunition, 6 60-mm mortar shells, 2 50-mm mortar shells, 2 hand grenades, 1 horse, some rice, and some military equipment were seized from the enemy.

On 14 December a People's Army unit blew up the (Namawchaung) bridge (?between) Namhpakka in Kutkai District and (Lawsaw).

Kachin, People's Army Attacks

BK250959 (Clandestine) Voice of the People of Burma in Burmese 0030 GMT
25 Dec 83

[Text] At 0530 on 19 December, a combined unit of the People's Army and the Kachin Independence Army [KIA] successfully attacked and occupied the strongly fortified camp of the military government's mercenary 45th Infantry Regiment at Namhkai bridge. The bridge was blown up and destroyed.

According to incomplete reports, a total of 11 enemy soldiers were killed, 8 were wounded, and 4 were taken prisoner. Captured from the enemy were 12 assorted weapons, 1 submachine gun, 1 2-inch mortar, 1 3-inch mortar, 140 rounds of 3-inch mortar shells, over 3,500 rounds of assorted ammunition, 1 power generator, and a large quantity of other war materiel, including maps.

The mercenary 7th Infantry Regiment, which came out of Hosi to reinforce the battered enemy in Namhkai battle, was hit by a People's Army unit. Two military vehicles were destroyed. Nine enemy soldiers were killed and eight were wounded in the attack. At the same time, units of the mercenary 45th Infantry Regiment which had come from Kutkai for reinforcement were also attacked by a People's Army unit. The attack killed three enemy soldiers and wounded six others.

At about the same time, the People's Army also blew up and destroyed the Namkut bridge. While the battle was raging at Namhkai, another combined unit of the People's Army and the KIA launched an attack on the enemy's Namhpakka camp. According to incomplete reports, one enemy soldier was killed and another was wounded. Nine of them were also taken prisoner. Captured from the enemy were 17 assorted weapons and a large quantity of war materiel. Moreover, the People's Army also blew up and destroyed the Nammwe bridge between Namhpakka and Nampaw.

In this campaign, a total of 24 enemy soldiers--including a mercenary sergeant--were killed, 23 were wounded, and 13 were taken prisoner. A total of 31 assorted weapons, 1 3-inch mortar, and over 3,640 rounds of assorted ammunition, including 3-inch mortar shells, were captured.

CSO: 4211/12

RADIO KAWTHULAY REPORTS ON BATTLE ACTIVITIES

27 December Report

BK271630 (Clandestine) Radio Kawthulay in Burmese to Burma 0430 GMT 27 Dec 83

[Text] Battle area No 1, 1st Brigade, Thaton District area battle news: On 20 November, an enemy unit which came up to (Metmawkhi) mountain uncovered 20 rounds of RPG-2 heavy-weapon ammunition and 20 60-mm shells.

At 0230 on 3 December, our unit attacked the enemy at (Thelitno). At about 0800 on the same day, our unit ambushed the enemy between (Dohta) and (Asuki) villages. Two enemy soldiers were killed during the 20-minute clash. We captured from the enemy 2 G-3's, 380 rounds of G-3 ammunition, 2 sets of equipment, 2 mines, and 8 magazines. Only one from our side was slightly wounded.

On 4 December, a unit was sent to the foot of the (Ho Age) mountain to launch a guerrilla attack against the enemy. During the ensuing clash, our unit got trapped inside the enemy's territory. The enemy shot and killed two of our men and seized one AR and a carbine from us. Four enemy soldiers were killed and eight others were wounded during this clash.

On 6 December, our unit attacked the enemy in (Tukyita Holopakwe), killing an enemy soldier and wounding four others.

Battle area 2, 2d Brigade, Toungoo District area battle news: On 18 November, our unit attacked the enemy in (Lesalu). An ambush on 21 November against the enemy in (Lesalu) resulted in killing two enemy soldiers. Our unit again attacked the enemy in (Lesalu) on 24 November. Another enemy soldier was wounded by our mines on 1 December between (Lesalu) and (Byulot).

On 2 December, our defense force attacked the enemy in (Lesalu). On the same day, the enemy arrested a villager from (Mawtukle) village, (Pola), and forcibly looted gold, cash, and property from him.

On the morning of 4 December, our unit clashed with the enemy near (Klawmede) camp. A (Klawmede) camp officer was killed during the clash and one from our side was injured.

Battle area No 3, 3d Brigade, Nyaunglebin District area battle news: On 25 November, our unit clashed with the enemy in (Htitawkli). Three of our members were wounded during the clash and one of our weapons was destroyed. The enemy suffered two killed and two wounded. On their retreat, two more enemy soldiers were killed by our mines.

Battle area No 4, 10th Regiment, Mergui-Tavoy District area battle news: On 23 November, our unit attacked the enemy in (Perto). An enemy soldier was killed, another was wounded, and 1 rifle and 47 rounds of rifle ammunition were seized from the enemy during the clash.

On 25 November, our unit clashed with the enemy near (Kamule). During the clash, two from our side were wounded, a villager was killed, and five were wounded. From the enemy's side 4 were killed and 1 G-2, 100 rounds of G-2 ammunitions, 4 magazines, 1 M9-A1 shell, and 1 2-inch mortar shell were seized by our unit.

Battle area No 5, 6th Brigade, Duplaya District area battle news: At 0635 on 5 November, the 4th company from our 16th Regiment laid in wait at Kya-in Bridge and ambushed the enemy. The attack killed an enemy soldier, wounded another, and wounded a villager. One G-2, 1 magazine, and 12 rounds of ammunition were seized from the enemy.

Battle area No 6, 7th Brigade, Pa-an District area battle news: On 3 December, our unit attacked the enemy at (Tamawya) village. At about 0900 on 3 December, our units clashed with the enemy between (Phawre) and (Hawta). The battle lasted for 4 hours and 30 minutes. Two from our side were killed, a military helper was killed, and seven were wounded. From the enemy's side, 6 were killed and 29 were wounded. Our unit seized from the enemy one M-79, a carbine, and some equipment.

On 4 December, our unit conducted a guerrilla attack against the enemy at (Htinyalu) Creek.

At 0949 on 5 December, our unit attacked the town of (Kamamaw) with heavy weapons. The attack lasted until 1730. Our troops then retrated as planned. On the same day, our unit launched a guerrilla attack against the enemy in (Wawtamu) village.

Battle news from (Dawtuwa) column in Papun District: On 29 November, military column Nos 2 and 3 from the enemy's 59th Infantry Regiment opened fire at villagers winnowing paddy in (Takli), wounding a villager. On 30 November our unit opened fire on the enemy sunbathing in (Sede). On the same day, enemy troops came to (Khiplawkho) and clashed with our unit. The battle started at 0300 and the enemy retreated at 1700. During this battle, six enemy soldiers were killed and two were wounded.

On 1 December, an enemy soldier was wounded by one of our mines in (Mawpihta).

3 January Report

BK041018 (Clandestine) Radio Kawthulay in Burmese to Burma 0430 GMT 3 Jan 84

[Text] Battle area No 4, 10th Battalion, Mergui-Tavoy District battle news: On 30 November, our unit attacked the enemy at Myitta. One enemy soldier was wounded. On 7 December, another attack on the enemy at Myitta by our unit resulted in another enemy soldier being wounded. On 15 December, an attack by our unit on the enemy near (Tipale) village resulted in three enemy soldiers being killed and two wounded.

On 17 December, one enemy soldier was killed when our unit attacked the enemy force at Myitta. On 20 December, one of our men was wounded when the enemy directed heavy weapons fire toward us in Myitta area.

Battle area No 5, 6th Brigade, Duplaya District battle news: At 0930 on 14 December, our unit made a guerrilla attack on the enemy at (Pachaw). Two enemy soldiers from the mercenary side were wounded.

Battle area No 6, 7th Brigade and 101st Special Battalion, Pa-an District battle news: On 17 December, our unit clashed with an enemy force from the 1st column of the 9th Light Infantry Regiment in (Kawtho) area. Five mercenaries were wounded in this battle.

Central Military Headquarters' 1st Company battle news: On 12 December, an enemy mercenary unit advanced upon (Pathulay) area. The enemy soldiers stepped on the mines planted by us. Three of them were wounded. At 0900 on 19 December, enemy soldiers were hit by our mines in (Htiane) region. Two paddy dumps in that area were burned and destroyed by the enemy.

CSO: 4211/12

OPERATIONS AGAINST NAGA, LAHU INSURGENTS REPORTED

BK301533 Rangoon Domestic Service in Burmese 1330 GMT 30 Dec 83

[Text] The people and the army jointly launched operations ("Ye Yingt ye Man") and "Lay Man Aung" [Valorous Victory] in the Northern and Eastern military commands against the insurgents during 1983. The people actively joined the army in combat action in an outstanding manner.

The military operation was launched jointly by the people and the army against the Naga insurgents who had been collecting taxes and supplies and committing atrocities against the people in the Northern Military Command. As a result of this action, eight bodies of insurgents were recovered together with three small arms, six rounds of ammunition, and one magazine during September in (Paplaw) village in Lahe township. Three bodies of insurgents were recovered together with four small arms and five rounds of ammunition in (Konyon) village in Lahe township and (Lagyan) area during October and two bodies of insurgents were recovered along with three small arms in (Lanyopasan) village in Lahe township during December.

The government troops carried a blockade and mopping-up operation against the Naga insurgents who were operating in (Tawhmaw) village in Hkamti township and Hkamti town during December. During this operation, 4 bodies of insurgents were recovered together with 5 small arms and 21 rounds of ammunition. Two insurgents were captured without arms and 22 insurgents surrendered without arms.

During 1983, 72 clashes occurred with the Lahu insurgents from (Edwi) group in the Eastern Military Command. During the whole year, 95 from the enemy's side were killed, 3 were captured, and 121 weapons were seized. Eighty members of the enemy and their 99 dependents surrendered.

On 29 December, 40 insurgents led by (Eik-san) from Lahu (Sa-u) group surrendered together with 13 dependents and 40 arms to the government military column stationed at (Nawngklaung) area in Mong Tong.

CSO: 4211/12

LAHU STATE ARMY MEMBERS SURRENDER TO GOVERNMENT

BK070250 Bangkok BANGKOK POST in English 7 Jan 84 p 3

[By Subin Khunkaeo]

[Text] Chiang Mai--The remaining 200 members of the Lahu State Army [LSA] have surrendered to the Burmese Government.

However, the whereabouts of LSA leader Phaya Cha-ur was still unknown but Thai military sources said they expected him to give himself up shortly.

The LSA members, led by Cha-ur's son Cha Duer, reportedly turned themselves in on December 26, a few weeks after their leader had agreed to Rangoon's terms of mass surrender.

Cha-ur met Rangoon representatives early in December near Kae Noi village in Chiang Dao District of this northern province.

The Burmese Government promised to appoint Phaya Cha-ur head of the volunteer ranger unit based in Pong Pa Khaem, about 30 kilometers from the Thai border, if the leader and his men surrendered.

The LSA once had about 300 members who were engaged in drug trafficking, but many defected to Khun Sa's Shan United Army, which routed the group from their Doi Lang base near the border in August, 1982.

Khun Sa himself was earlier pushed out of Thailand in an assault on his base at Ban Thoet Thai (formerly Ban Tin Taek) in Mae Chan District of Chiang Rai Province.

The LSA got into trouble with the Thai law in early September when six fighters reportedly murdered Thai Border Patrol policemen Sgt Wirot Khimaphirom and Pvt Phithak Sathanbua, who were on an intelligence mission.

Police said drug merchants paid the LSA men 60,000 baht to kill the policemen who held vital information on smuggling operations. A warrant for the arrest of Cha-ur was issued and he and his men went into hiding.

The LSA has operated as a rebel group for about 30 years and refused to pledge allegiance to the Rangoon government. Its political cause was to fight for independence, but its major activity was drug trafficking.

BRIEFS

SHANS AMBUSH GOVERNMENT TROOPS--Chiang Mai--The Shan United Revolutionary Army (SURA) ambushed a convoy of Burmese Government forces yesterday, killing nine soldiers and wounding three others. The SURA rebels suffered two dead in the attack, but were able to disrupt the movement of Burmese troops to a base near the Thai border. Thai Border Patrol Police (BPP) sources said the Burmese troops were members of the 97th Regiment. The unit was ambushed at Ban Kungsa opposite Chiang Dao District. The sources said about 200 SURA men were believed involved in the ambush and later on withdrew to their base at Ban Pang Maisong opposite Ban Piang Luang of Chiang Dao. The SURA earlier was reported to have held meetings with another rebel group, the Shan State Army (SSA) to discuss a possible merger to consolidate their struggle against the Rangoon authorities. Meanwhile, military sources said yesterday that Burma had despatched about 1,000 troops to Keng Tung Province opposite Mae Chan District of Chiang Rai. The forces were reported to be supported by three bands of minority groups including Muser hilltribesmen and Thai Yai. [Text] [BK210111 Bangkok BANGKOK POST in English 21 Dec 83 p 5]

NEW MUSLIM KAREN GROUP--Muslim Karen rebels have formed a new group to coordinate their fight against the Rangoon Government, military sources disclosed yesterday. The group, called the Karen Muslim Liberation Army, is led by Maj Gen Tam La, deputy leader of the Karen United Union. The KMLA base is situated at Ban Tawo opposite Tha Song Yang District of Tak Province. The KMLA has two armed factions under the leadership of Ah Lam and Abdul Rasak, the sources said. [Text] [BK230127 Bangkok BANGKOK POST in English 23 Dec 83 p 3]

AMBASSADOR TO PRC--The president of the Socialist Republic of the Union of Burma has appointed U Hla Shwe as ambassador extraordinary and plenipotentiary of the Socialist Republic of the Union of Burma to the People's Republic of China. [Text] [BK281139 Rangoon WORKING PEOPLE'S DAILY in English 20 Dec 83 p 1]

DEPUTY INDUSTRY MINISTER RESIGNS--The Council of State of the Socialist Republic of the Union of Burma has issued Notification No 122/83 today. The notification states U Ba Chit, People's Assembly representative from Pale township constituency II, Sagaing Division, has been allowed to resign from the posts of assemblyman and deputy minister effective 1 December 1983. [Text] [BK281139 Rangoon LOKTHA PYEITHU NEZIN in Burmese 10 Dec 83 p 8]

INDONESIAN DEBT SERVICE PROBLEM

✓ Debt Service Is 24 Percent of Export Earnings

Jakarta KOMPAS in Indonesian 1 Nov 83 pp 1, 12

[Text] Jakarta, KOMPAS--Indonesia's debt service payments are expected to total 24 percent of export earnings for fiscal year 1983-84. This means that the situation is already "critical." In accordance with international standards the debt service ratio should not be higher than 20 percent. During fiscal year 1982-83 the debt service ratio had already reached 22 percent.

This depressing statement was made by Prof Dr Ali Wardhana, coordinating minister for economics, finance, and industry, to the 14th world congress of the International Association of Financial and Executive Institutes (IAFEI), on Monday [31 October] at the Hotel Borobudur in Jakarta. The congress was opened by Vice President Umar Wirahadikusumah.

In speaking of the debt repayment problem Ali Wardhana did not give any statistics on the amount of the debt outstanding or Indonesia's export earnings. He only said that this worsening situation was caused by the depressed state of the market for exports.

Ali Wardhana said: "A few years ago our policy was to ensure that the debt service ratio would not exceed 20 percent. However, because of the depressed state of the export market, the figure of 20 percent was exceeded."

When the devaluation of 30 March 1983 was announced, the coordinating minister for economics, finance, and industry stated that one of the reasons for the devaluation was to ensure that debt repayments in terms of export earnings [the debt service ratio] did not exceed 20 percent. This was because a higher level than 20 percent was considered "critical" by international standards. Before the devaluation the ratio had approached 20 percent. In previous years the figure was only about 16.5 percent.

In view of this statement by the coordinating minister for economics, finance, and industry before the IAFEI congress, it appears that prior to the devaluation the situation was also critical, because the debt service ratio was already at the level of 22 percent for fiscal year 1982-83.

The percentage ratio has recently been a subject for debate. Indeed, there have been those who have thought that Indonesia's foreign debt, compared to export earnings, is already far above 20 percent and is now about 26 percent. However, this question has never been discussed by the government. It was only before the IAFEI congress yesterday [31 October] that the coordinating minister for economics, finance, and industry frankly described the true situation to Indonesia, although without supporting figures.

Dr Radius Prawiro, the minister of finance, and Dr Arifin Siregar, the governor of the Bank Indonesia, told reporters outside the Bina Graha offices in the middle of October that Indonesia's foreign debt had reached \$17.8 billion (about 17.8 trillion rupiahs).

According to Doctor Prawiro, repayment of the debt was going smoothly in 1983, and Indonesia repaid \$2 million [as published; should read \$2 billion] (or about 2 trillion rupiahs). As of the end of August 1983 Indonesian foreign exchange reserves amounted to \$4,509,000,000. As of the end of September 1983 foreign exchange reserves still amounted to about \$4,528,000,000.

Better

According to Ali Wardhana, although the debt service ratio is already quite high, in fact it is still better than that in countries experiencing balance of payments difficulties. However, Indonesia will continue to ensure that the ratio does not go higher.

Ali Wardhana said: "To deal with this problem, we are also continuously watching the foreign debts of the private business sector." In addition, Indonesia continues to have confidence in potential sources of assistance. For example, through the IGGI (Inter Governmental Group on Indonesia), which last year provided credits to Indonesia worth \$2.2 billion.

According to the coordinating minister, if Indonesia is not careful, it may sink into more serious difficulties and become one of the countries experiencing difficulty in repaying their foreign debts, such as Poland and a number of other developing countries. For this reason Indonesia will continue to try to avoid such a situation.

He said: "At present Indonesia is succeeding in freeing itself from an international debt crisis. This was caused by Indonesia's experiences during the 1960's and the PERTAMINA [State Oil and Gas Company] crisis in 1975. This experience turned out to have strengthened the Indonesian position."

To deal with the present economic crisis, and particularly to ensure that Indonesia does not go into debt beyond its capacity to pay, Ali Wardhana mentioned again a range of Indonesian actions. Among other things, these included a reduction in the subsidy on fuels at the beginning of 1983. Then there was the devaluation of the rupiah, followed by the adoption of a new banking policy on 1 June 1983 which freed government-owned banks and allowed them to set their own interest rates.

Ali Wardhana said: "At present additional measures we are awaiting include the preparation of new tax regulations. It is hoped that with these new regulations state tax income will increase."

Regarding inflation, although there has already been a devaluation, he estimates that in 1983 it will be under 15 percent. (From January to September 1983 inflation amounted to 10.59 percent.)

On this occasion Ali Wardhana told foreign capital investors that they should not plan to go into downstream industries because that sector is already satiated. It is hoped that foreign capital will be prepared to invest capital in Indonesia in upstream projects which require large amounts of capital.

Own Interests

In his opening speech at the IAFEI congress Vice President Umar Wirahadikusumah said that the world economic recession has been more serious than was originally thought. It has weakened the economic integration of the countries of the world. Each country is concentrating its attention and efforts on protecting its own interests.

In these circumstances, the vice president said, the consequences have been that the poorest countries have suffered the most. And the deterioration of the situation in the poor countries will finally also have an influence on the welfare of the wealthy countries. The burden of debt borne by the Third World countries is not being repaid because of the deterioration in their foreign exchange receipts. The vice president said: "This has pushed the wealthy countries into difficulties whose consequences are hard to imagine."

Against this background, consideration of financial strategy, which is the theme of the IAFEI congress, has become very important. This is specifically because the world is experiencing financial flareups with rather serious consequences. They are serious not only for the developed countries but especially for the developing countries.

The increase in the interdependence of the two groups of countries has made it impossible for one group to continue to exist while the other group sinks. This interdependence has become one of the bases for relationships between the Northern and Southern hemispheres. The principle has been accepted that the developed Northern hemisphere has a role in helping the Southern hemisphere, which is being left behind.

The vice president said: "The help which is provided must be so directed that the Southern hemisphere can play a larger role in international trade, and this will increase the benefits for both sides."

MP, CSIS Official Comment on Indonesian Debt Service Payments

Jakarta KOMPAS 2 Nov 83 pp 1, 12

[Text] The fact that an estimated 24 percent of Indonesia's export earnings are being used to repay its foreign debt (the debt service ratio) in fiscal year 1983-84 indicates that the government policy of increasing exports and mobilizing domestic capital is not bringing effective results.

Hamzah Haz (Development Unity Faction), deputy chairman of the budget committee in Parliament, made this comment in answer to a question by a KOMPAS representative, in connection with the statement by Prof Dr Ali Wardhana, coordinating minister for economics, finance, and industry and supervisor of development, regarding Indonesian foreign debt repayment obligations.

Meanwhile, Dr Pande Radja Silalahi, director of studies of the Center for Strategic and International Studies (CSIS), thinks that a figure of more than 20 percent of export income allocated to repaying foreign debt does not necessarily mean that the situation is critical.

Unclear

Hamzah Haz states that the figure mentioned by the government regarding repayments of foreign debts in fiscal year 1983-84 is unclear and may lead to differing conclusions. According to the first view, the figure is derived from the level of exports as a whole. Another view might calculate export earnings as the net amount after imports, government foreign and domestic obligations, and installments and interests on debts are deducted.

He said that if the figure announced by the government is calculated from the total value of exports, this means that the debt to be repaid has grown larger. As a consequence, the balance of payments is a cause for concern.

With the foreign debt to be repaid at more than 20 percent (in fact, 24 percent), the position of the balance of payments can be said to be showing a red light. Hamzah Haz said: "Foreign debt repayment obligations, compared to normal export earnings, are usually less than 20 percent!"

Not Yet Effective

On the basis of this statement the member of Parliament, who is concerned with budgetary questions, considers that government policies to increase exports and mobilize domestic funds have not yet shown any effective results. This is also shown in the trend of money in circulation from January to September/October. The increase was only 13 percent, from \$6.8 to \$8 trillion.

Compared to the previous year the increase cannot be said to amount to much. During the same period of 1982 the increase was only 3 to 5 percent. He recalled: "The increase in money in circulation for all of 1982 was only 10 percent."

He said that the increase of money in circulation in 1979 was about 36 percent. In 1980 it reached 48 percent, and in 1981 it was no more than 30 percent. It should be recalled that in 1983 and in 1979 the increase in the supply of money in circulation was, among other things, driven by inflation.

The foregoing data prove that government economic policy, by devaluing the rupiah, has succeeded in promoting the development of the Indonesian economy, so that the subsequent balance of payments position has strengthened. Hamzah Haz said: "We are considered capable of increasing our foreign exchange reserves!"

As proof of this he said that foreign exchange reserves in 1978 were about \$2.5 billion, \$4.1 billion in 1979, \$6.4 billion in 1980, and about \$7.3 billion in March 1981. He added: "Now the reverse is happening in the position of our balance of payments deficit."

He stated that during fiscal year 1982-83 it was estimated that the deficit in the balance of payments would only amount to \$808 million. However, it turned out to be \$3.3 billion. During the present fiscal year it was planned that the deficit would be about \$1.4 billion, but it has turned out that it will certainly be larger, about \$5-6 billion.

Can be Held Down

Can the deficit in the balance of payments be held down? Asked this question, Hamzah Haz replied: "Yes, it can! To do this, the government needs to bring imports under control. Imports of secondary importance like sewing machines, refrigerators, bicycles and spare parts, and pumps valued at more than \$500,000 should be postponed by the government. In addition, the government must be able to achieve its foreign loans goal for fiscal year 1983-84 of about \$5-6 billion."

He was asked whether the government should make immediate use of its Special Drawing Rights (SDR) from the World Bank [as published; SDR's come from the International Monetary Fund]. In answer to this question the member of Parliament from the Development Unity Faction thought that it was not yet the time to do this. He added: "Although we are in a bad position, it is not yet really serious!"

Hamzah Haz is convinced that these difficulties can be overcome by seeking foreign loans, even though the interest rate will not be so low.

Regarding the present level of foreign exchange reserves, which amount to about \$4.5 billion, he recalled that this amount includes \$1 billion borrowed last March and April.

Government Employees' Salaries

Hamzah Haz did not agree with the view that the salaries of government employees should not be raised, as one way of reducing expenditures. He recalled: "They haven't been raised for 2 years already!"

He also didn't agree with the idea of the government's abolishing the subsidy on fuels, although at some time in the future the fuels subsidy must be ended. However, it wouldn't be right to do it this year. He said: "Salaries would go up, fuels would go up, and the people would be very angry!"

Regarding the question of the production of LNG [Liquified Natural Gas], Hamzah Haz thinks that this will help to reduce our burdens, both in terms of the deficit in the balance of payments and in the state tax receipts sector.

Although the production of LNG will be increased, total income from this source will still be far less than the receipts from the petroleum sector. He declared: "Even if receipts from LNG exports were included with receipts from the non-petroleum and natural gas sector!"

Not Clearly Critical

Dr Pande Radja Silalahi, director of studies for the CSIS (Center for Strategic and International Studies), also thinks that a figure above 20 percent in terms of the foreign debt service figure as a percentage of export income does not necessarily mean that the situation is critical.

Contacted in his office, he considers that the size of the DSR (Debt Service Ratio) cannot be turned into a standard because this figure cannot be generalized for every country. The DSR figure can only be used as an indication, and not as a standard, in determining whether or not the size of a country's debt has become critical.

For Indonesia the DSR is not yet critical. This is based on Indonesia's very large economic potential and also on the ability of the government at present to make use of the debt in an effective and efficient way. In this connection it is clear that the position of Indonesia is different from that of Mexico, for example.

Therefore, the size of the DSR figure does not necessarily indicate that there is a crisis. This depends on the use made of the debt, which can bring greater results from the interest and installment payments made. If the use made of the debt is greater--even though the DSR figure is high--clearly, this does not mean that there is a crisis. A high DSR figure will continue to be better than a low figure, and this depends on the use made of the debt. He said: "It is rather a mistake to use the DSR figure as a standard."

With this view in mind, Silalahi thinks that the DSR figure, which is estimated at 24 percent during this fiscal year, and was 22 percent during the previous fiscal year, "is a compass that suggests we should move carefully."

He said: "Although it does not mean that the situation is critical for Indonesia, the figure of 24 percent should be made known to all concerned. This is possibly why Ali Wardhana mentioned this figure."

He thinks that the high level of the DSR figure for this fiscal year is due to the size of the short-term debt that came due in fiscal years 1980-81, 1981-82, and 1982-83. During these years Indonesia was in great need of funds, and both the government and the private sector sought short-term loans whose interest or repayment installments began to be burdensome.

Silalahi quoted from the World Bank and the Indonesian balance of payments, in which exports for fiscal year 1982-83 amounted to \$18.75 billion, with a DSR ratio for the same fiscal year of 22 percent. The debt repayment figure was \$4,125,220,000. In this connection, Silalahi continued, the figure on debt repayment for 1982, according to the World Bank, was only \$2,462,300,000. When the first quarter of 1983 to the above figures, the debt repayment figure will not amount to \$4,125,220,000.

This means that there is a difference between a debt repayment obligation of 22 percent (\$4,125,220,000) and the real debt repayment figure. That is the difference which the government and the private sector are obliged to pay over the short run. Regarding "export income," Silalahi thinks that that means total export receipts on an FOB [Free on Board] basis, involving both goods and services.

Further Steps

Dr Pande Radja Silalahi added that the size of the DSR figure has not yet placed Indonesia in a critical position. He still believes that the problem can be properly resolved, provided the productivity derived from each loan is increased.

A number of steps taken by the government, beginning with devaluation and the re-scheduling of development projects and continuing with the government's banking policy, may be said to have been quite helpful. However, now we need a further step, in the form of increasing productivity from the loans received.

Increasing productivity from the loans is an urgent step which must be taken. If the loans can be used in an optimal way, the size of the DSR figure will be no problem. Also necessary is maintaining credibility in the eyes of our creditors.

Regarding the abolition of subsidies as a further step, Silalahi thinks that we should think twice before taking such action. He believes that the abolition of subsidies must be done in a phased way, and there must be prior planning. Although such planning is difficult to do, Silalahi thinks it is important so that everything is not done at the last moment. He said: "The government should be planning when it believes that all of those subsidies should be abolished."

Regarding the prospect of the government's increasing the salaries of its employees, Silalahi considers that there is still such a prospect, and the government may do it. Provided further steps, such as an increase in productivity from the loans, are taken, raising salaries can be done.

Silalahi also hopes for frankness from the government in its use of funds. The statement on the level of the DSR ratio, made by the coordinating minister for

economics, finance, and industry, was a step forward displaying frankness on the part of the government.

On the other hand, providing easier facilities for the private sector will greatly improve the business climate. A number of improvements still need to be made to certain procedures which are not effective and which reduce efficiency. For example, in terms of procedures and charges which are still considered rather high.

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CSO: 4213/75

GOLKAR MEMBERSHIP PROCEDURES DESCRIBED

Jakarta KOMPAS in Indonesian 1 Nov 63 pp 1, 9

[Article: "Government Employee Becoming Member of GOLKAR Must Have Permission of His Superiors"]

[Text] Jakarta, KOMPAS--Every civilian government employee continues to have the right to express his political aspirations through any social or political force. Those who officially plan to become members of a given social or political force must have the prior approval of their superiors.

This statement was made by R. Soekardi, the chairman of the Central Executive Council of GOLKAR [Functional Groups political party], answering questions by reporters regarding the specific system which will be applied by GOLKAR.

Section 10 of the GOLKAR constitution which was approved by the Third National Conference of the organization, states: "Members of GOLKAR are Indonesian citizens who voluntarily request to become members and fulfill the requirements which are set forth in the by-laws."

According to Soekardi, every government employee may become a member of GOLKAR or even of a given political party. He declared: "Of course, he must have permission from his superiors!"

Asked whether there would be discrimination in the future, Soekardi, who is also chairman of the Functional Development Faction in Parliament, answered: "There won't be. The best thing would be for the laws to be applied properly. If the situation develops in such a way that there are problems created by the community and political organizations, the person involved should file a complaint."

No Boomerang Effect

Regarding the active membership system adopted by GOLKAR, Soekardi is convinced that this will not have a boomerang effect. He declared that GOLKAR intends to employ the active membership system to consolidate the membership, in accordance with the existing regulations of the organization. The system of active

members is intended to develop GOLKAR cadres in the various sections of the organization and at the same time will be a standard for testing the GOLKAR membership as a whole.

He said that in the future every person who wishes to become a member of the GOLKAR family must submit an application to join. In this connection not every application will be approved--only those who have attended cadre training and have never violated the regulations of the organization which must be accepted by any person wishing to become a member of GOLKAR. In this way it is hoped that every card-carrying member will really become a GOLKAR cadre.

The minimum condition demanded of every cadre is that he must be able to lead an organization. He also must be able to engage in competition and to present the best kind of program for the future.

According to Soekardi, membership in GOLKAR will be approved by the GOLKAR Regional Executive Council at the regency level. The Regional Executive Council at this level will also be the central office for member registration in the region concerned.

Soekardi denied that this is in conflict with the GOLKAR attitude toward a general membership system. GOLKAR continues to promote the community in general and does not want to see compartmentalization within the community.

Holding Positions Simultaneously

Asked about the fact that several leaders of the Functional Development Faction also are members of the Central Executive Council of GOLKAR, Soekardi thought that this was not a general practice. A person could hold two positions simultaneously. The matter must be considered on a case by case basis. He stated: "An administrative operational system is now being developed."

He said that with particular reference to the positions of general chairman and secretary general of the Central Executive Council of GOLKAR, these will certainly perform the driving and control functions. With the formation of the Central Executive Council of GOLKAR, there will be no need to find replacements for members of the Functional Development Faction in Parliament. "However, there will certainly be a reorganization in the leadership of the faction," Soekardi said.

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CSO: 4213/75

EXPANDED OIL REFINERY AT BALIKPAPAN DEDICATED

Dedication of Refinery

Jakarta KOMPAS in Indonesian 1 Nov 83 p 2

[Text] On 1 November President Soeharto officiated at the entry on stream of the expanded petroleum products (BBM) refinery at Balikpapan, East Kalimantan. The new refinery, which was built at a cost of more than \$1.5 billion, will have a throughput capacity of 200,000 barrels of crude oil per day. Therefore, the total capacity of the Balikpapan refinery as a whole will be 260,000 barrels of crude oil per day.

The entry into production of the expanded refinery is clear evidence of the efforts of the government to build additional refining capacity which will have an overall processing capacity of 630,000 barrels of crude oil per day. The additional capacity will result from the expansion of the Cilacap refinery [Central Java] by 200,000 barrels per day, the expansion of the Balikpapan refinery by 200,000 barrels per day, the construction of the Dumai hydrocracker [Riau] with a capacity of 85,000 barrels per day, and the construction of the Musi River refinery, with a capacity of 145,000 barrels per day.

Out of all of these plans, construction has been actually completed on the expansion of the Cilacap and Balikpapan refineries, which together add 400,000 barrels of crude oil refining capacity per day. It is hoped that in the not too distant future the Dumai hydrocracker project will be completed. Added to the capacities of the previously-existing refineries spread out through Java and Sumatra, which amount to about 500,000 barrels per day, this will lift the domestic crude oil refining capacity to 985,000 barrels per day.

Estimated domestic consumption of petroleum products in fiscal year 1983-84 will be about 28 million kiloliters of petroleum products. Of this total, domestic refineries will provide about 12,529,000 kiloliters, foreign refineries will provide about 9,797,000 kiloliters, and imports will provide about 5,674,000 kiloliters.

However, in fact the impact of the world economic recession, which has continued to depress Indonesian economic growth, and the recent, repeated increases in the

prices of petroleum products have caused demand for petroleum products to decline. This demand was originally expected to increase at an average rate of about 12.5 percent per year. However, by the beginning of this year the rate of increase was estimated at only about 9 percent per year. This has caused estimates of the demand for petroleum products for future years to decline also.

In 1982, for example, sales of petroleum products amounted to only 25,132,028 kiloliters, about 3 percent less than the original estimate of about 26,147,800 kiloliters. Requirements for petroleum products during fiscal year 1983-84, which were estimated at 28 million kiloliters, are now estimated at only 26,300,000 kiloliters. This estimate includes domestic sales of about 25,400,000 kiloliters and requirements for operations and variations in supplies at the various petroleum products depots of about 900,000 kiloliters.

According to a government estimate, the production capacity of all refineries, which was planned to reach 35,656,000 kiloliters, will only be achieved in fiscal year 1986-87 if the growth in domestic use of petroleum products continues at about 8 percent per year. As a result, it is estimated that when the Balikpapan and Cilacap refineries enter into full production, Indonesia will not import petroleum products from abroad nor will it process its own crude oil into petroleum products in foreign refineries. The capacity of the two refineries will total 20,755,000 kiloliters per year. When this additional capacity is added to the output of already existing refineries, total Indonesian production of petroleum products will be about 33,284,000 kiloliters per year.

Based on this estimate, the principal key to the refinery industry is the Balikpapan refinery, which is also the largest installation producing petroleum products. It can be stated with confidence that when that refinery is functioning at full capacity, domestic production of petroleum products will exceed domestic requirements. Indeed, Indonesian production of petroleum products has increased to above the estimated requirements for fiscal year 1983-84, which are expected to total about 26.3 million kiloliters.

The Balikpapan refinery will produce the following petroleum products: gasoline, 4,500 kiloliters per day; kerosene/jet fuel, 14,800 kiloliters per day; and solar oil, 11,100 kiloliters per day. This level of production will be higher than production at Cilacap, which will consist of: gasoline, 7,200 kiloliters per day; kerosene/jet fuel, 9,200 kiloliters per day; solar oil and diesel fuel, 6,800 kiloliters per day; and fuel oil, 5,700 kiloliters per day. At the Balikpapan refinery, fuel oil (IFO) will be reprocessed into petroleum products, so that, practically speaking, none of the production will be wasted.

According to present plans, the Balikpapan refinery will process about 200,000 barrels of crude oil per day, consisting of oil from the Mandil field (60 percent or 120,000 barrels per day) and oil from the Bekapai field (40 percent or about 80,000 barrels per day). The crude oil entering the refinery will be unloaded from a tanker through a "Single Buoy Mooring" (SBM) and pumped through an underwater, 30-inch pipeline to the crude oil receiving station at Lawi-Lawi,

about 20 kilometers Southwest of Balikpapan. The crude oil receiving station has five storage tanks, each of which can hold about 800,000 barrels of oil.

From the terminal at Lawi-Lawi the crude oil will be pumped to the refinery, flowing initially to Penajam, 15 kilometers away, through an 18-inch, above-ground pipeline and then through a 16-inch, underwater pipeline across the Balikpapan Straits to the refinery.

The new refinery will consist of seven units. The respective units will have a capacity of 200,000 barrels per day, with an empty throughput capacity of 82,000 barrels per day, a hydrocracker capacity of 55,000 barrels per day, a naphtha hydrotreater capacity of 20,000 barrels per day, a platformer unit with a capacity of 20,000 barrels per day, an LPG [Liquified Petroleum Gas] unit with a capacity of 6,580 barrels per day, and a hydrogen unit with a capacity of 68 million standard cubic feet (SCF) per day. This last-named unit will produce hydrogen which will be processed by the hydrocracker and the naphtha hydrotreater units.

In addition, a support unit will be constructed, consisting of 24 new tanks which will hold both partially-completed and completed products. The total capacity of this tank unit will be 2.9 million barrels, and it will be integrated into the existing tank complex. Later, connecting pipelines will be laid, new piers will be constructed and old piers rebuilt, and a high tower will be erected to flare off excess gas.

The products turned out by the new refinery will consist of 6,582 barrels of LPG per day; heavy naphtha, 14,977 barrels per day; automobile gasoline, 28,481 barrels per day; kerosene, 93,252 barrels per day; gas-oil, 69,640 barrels per day; and residue oil, 13,763 barrels per day.

Completion of the construction was originally planned for 1 October 1983. However, as a result of certain, technical factors and difficulties in obtaining trained workers, completion of construction was delayed by 1 month. It is estimated that at the peak of construction activity some time ago the project employed about 8,500 workers, including those employed by contractors and subcontractors, as well as other, casual laborers.

President Soeharto's Remarks

Jakarta KOMPAS in Indonesian 2 Nov 83 pp 1, 9

[Excerpt] Balikpapan, KOMPAS--Imports of petroleum products cannot be allowed to continue indefinitely. This is because dependence on imports of petroleum products can become a source of concern for the economy and for the development program, particularly in connection with world economic developments. This was stated by President Soeharto when he officially opened the expanded oil refinery at Balikpapan, East Kalimantan, on Tuesday [1 November].

According to the chief of state, problems related to such dependency will continue to grow because in the future domestic requirements for petroleum products

will sharply increase with the industrial progress made and as the living levels of the people rise and the total population increases.

The president declared: "We cannot allow problems like that to continue." For that reason the government is continuing to build oil refineries so that the Indonesian people will be self-sufficient in petroleum products and will no longer be dependent on imports.

Completed

The refinery which has been built and is now in production is at Cilacap, which has a capacity of 300,000 barrels per day. The expanded Balikpapan refinery has a capacity of 200,000 barrels per day. The existing refineries have an overall capacity of 260,000 barrels per day.

With the production from the Cilacap and Balikpapan refineries, the president said, Indonesian dependence on imported petroleum products will steadily decrease. Meanwhile, the refinery at Dumai in Riau Province is being expanded. It will have a capacity of 200,000 barrels per day. The chief of state said: "God grant that when the expansion of the Dumai refinery is completed, our dependence on imports of petroleum products will be at an end."

He added that with the achievement of self-sufficiency in petroleum products the resiliency of the Indonesian economy will be further developed. In addition, self-sufficiency in petroleum products is part of a national effort to lay the foundations for national development, aiming at the remaining phases of the preparations for development in the Fourth 5-Year Plan.

Important Key

Estimated consumption of petroleum products in 1983 is about 25.9 million kiloliters, or about 2.2 percent lower than consumption in 1982, which amounted to 26.5 million kiloliters.

To meet these needs for petroleum products, Indonesia has been processing about 20,000 barrels of crude oil per day in the Philippines and about 150,000 barrels per day in Singapore. Petroleum products like kerosene, solar oil, gasoline, LSWR (Low Sulphur Wax Residue), and naphtha are transported back to Indonesia after PERTAMINA [State Oil and Gas Company] pays for the refining costs.

In addition, in order to make up for the remaining shortages of petroleum products, PERTAMINA also pays cash for between 65,000 and 70,000 kiloliters of kerosene and solar oil every day from the refineries in Singapore.

According to government estimates, the overall refinery throughput capacity now being planned, or about 35,656,000 kiloliters, will not be reached until fiscal year 1986-87, on the assumption that the growth of domestic consumption of petroleum products is about 8 percent per year. It is estimated that when the Balikpapan and Cilacap refineries are in full production, Indonesia will not need to

import or process any more petroleum from abroad. This is because the capacity of the two refineries has already reached 20,755,000 kiloliters per year. Added to the production from the existing refineries, this means that overall production of petroleum products will be about 33,284,000 kiloliters per year.

Based on these estimates, it is clear that the real key to this effort is the Balikpapan refinery, which is also the largest petroleum products refinery. It can be stated with confidence that when this refinery is fully in production, domestic production of petroleum products will exceed consumption. Indeed, Indonesian production of petroleum products has climbed above estimated requirements for fiscal year 1983-84, which are estimated at about 25.9 million kiloliters.

The Balikpapan refinery will daily produce the following petroleum products: 4,500 kiloliters of gasoline, 14,800 kiloliters of kerosene and jet fuel, and 11,100 kiloliters of solar oil.

Broadening Job Opportunities

By refining crude oil into petroleum products ourselves, according to President Soeharto, employment opportunities will be expanded. In addition, it will lead to the development of increased skills for handling work which requires the mastery of high technology and complex management operations. According to the chief of state, this will be a priceless form of capital in the development of the nation.

The president urged: "For that reason let us all join together in raising the level of skills in our respective areas of activity, by working hard, by increasing discipline, and by improving our capacity to carry on the development of the nation."

Second Largest

The Balikpapan refinery is the second largest refinery in the country after the Cilacap refinery. The specialty of the Balikpapan refinery is its hydrocracker unit with a capacity of 55,000 barrels of oil per day. This unit can further process residues (LSWR) into jet fuel, kerosene, or solar oil. The Dumai refinery project has the second hydrocracker unit, which will be completed in the first quarter of 1984.

During the implementation of the project, PERTAMINA has included the largest possible amount of domestic resources and infrastructure. No less than 41 percent of the material used, valued at \$283 million, has been obtained from within Indonesia. Domestic and local suppliers of materials involved in this project total 374 companies, while national and local contracting and consulting firms total 153 companies in all.

The expansion of this refinery has cost about \$1,487,000,000, consisting of about \$1,112,000,000 in foreign exchange expenditures and about 265 billion rupiahs in local currency expenditures.

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CSO: 4213/75

PRIVATE COMPANIES TO DEVELOP PALM OIL ESTATES

Jakarta KOMPAS in Indonesian 4 Nov 83 pp 1, 9

[Text] Eng Achmad Affandi, the minister of agriculture, has announced that in effort to make oil palm products the "prima donna" of exports in the agricultural sector, a program for the planting of oil palms soon will be launched. Minister Affandi made the announcement after meeting with President Suharto at the Bina Graha building on Thursday [3 November]. He said that initially the program will be carried out on an area of some 250,000 hectares in Jambi, Riau and West Kalimantan.

A number of private companies, some with strong financial backing and some with less financial strength, will be involved in the program. They have agreed to bear all costs, which will come to about 40 billion rupiah, plus the cost of factories. Private companies that do not have large amounts of capital will be required to merge and form a single company. Each company will handle a unit about 10,000 hectares in size.

The minister said that the units must be developed as nucleus estate and smallholders (PIR) projects. The private companies, in addition to promoting their own operations, must develop the PIR projects. Eighty percent of the project area will be turned over to farmers. The private companies will open the land, plant, fertilize and maintain the trees, and perform other operations so that at the end of a 4-year period a producing estate will have been created.

The private companies also are required to build production, processing and marketing facilities, to accept the products produced in the surrounding area, and to pay a fair price for these products.

Producing in 1987/88

The minister said that after the 4-year period has elapsed the government will try to make a cash purchase of the planted and producing area and this area will be turned over to the farmers participating in the PIR project. The farmers will be given an opportunity to obtain bank credit, and the repayment period for the credit will be 10 to 20 years.

The private companies will receive use rights on the other 20 percent of the area, plus their factories.

The farmers who will participate in the PIR projects will be recruited and brought in at government expense. They may also be provided with housing by the government. "The money will come from the transmigration allocation, or from somewhere. I don't know yet," the minister said.

The farmers will be carefully screened over a 1 to 4-year period. Only those persons who are hard workers will be given the right to receive a share in the estate after the 4-year period is completed. During this time they will be employees of the oil palm company and will be paid a fair wage.

The minister noted that the oil palm estates are being established not only to boost foreign exchange earnings, but also to raise the income of farmers and to create employment opportunities.

He said that 1987/88 has been targeted as the year when the estates will begin producing.

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CSO: 4213/80

BIOGRAPHIC INFORMATION ON INDONESIAN PERSONALITIES

[Unless otherwise noted, the following information on Indonesian personalities has been extracted from Indonesian language sources published in Jakarta.]

SUDHARMONO--Sudharmono, master of laws, was born in Gresik, East Java, on 12 March 1927. He followed the general educational program through senior high school [SMA] and graduated from the Academy of Military Law in 1956. He continued his studies at the Institute of Military Law [Perguruan Tinggi Hukum Militer], from which he graduated in 1962. When he was 39 (in 1966), Sudharmono assumed the duties of secretary to the Cabinet Presidium, and he became secretary to the cabinet in 1972. From March 1973 to 1978 he served as state secretary and was then promoted to be minister of state charged with coordinating the administrative and financial aspects of non-ministerial government institutions while also serving as state secretary. From 1978 to the present his position has continued to be that of minister and state secretary. His military career began when he was a troop commander with the rank of lieutenant. From 1950-52 he was a staff officer at the Army Officers Training Center in Bandung, after which he attended the Academy of Military Law. From 1957-62 he served as Army judge advocate general, while continuing to serve as a staff officer at PEPERPU [Central Martial Law Authority] with the rank of captain and later as a major. From 1963-66 he was a special assistant to the Secretariat of the Consultative Council for Assisting the Leadership of the Revolution [Musyawarah Pembantu Pimpinan Revolusi], second deputy chairman of Joint Group V of KOTI/KOGAM [Supreme Operational Command/Command for Crushing Malaysia], and chairman of the Central Personnel Control Team. At present Sudharmono has the rank of lieutenant general and holds 36 service ribbons and decorations, both from Indonesia as well as foreign countries. He is the father of two children, a daughter and a son. [Text] [Jakarta SINAR HARAPAN in Indonesian 25 Oct 83 p 12] 5170

SUDHARMONO--He is tall in stature, like an athlete. His hair, which is now turning gray, is cut straight in the back and is rather tousled. When he speaks, his Javanese accent is still heard rather clearly. He is serious, disciplined, correct in his manners, but smiles and laughs easily. One of his subordinates said: "Sudharmono is a man who is very careful about details. He wants all tasks and

work done neatly and carefully." That is a brief picture of Sudharmono, master of laws, the new general chairman of the Central Executive Council of GOLKAR [Functional Groups political party] who until recently was better known for his position as minister and state secretary and the assistant who is closest to President Soeharto. He is considered a practical politician.

To the reporters who are accustomed to follow the activities of the president the foregoing picture of Sudharmono is quite accurate. When he makes a statement, he doesn't get all involved in syntax but speaks simply and directly to the point. The same thing applies when he answers a question: he is brief but clear, and his meaning can be understood.

Many officials, including other ministerial colleagues, regard him as a manager, a skilled administrator, diligent and precise in handling the reins of the state administrative structure, where his position is so central. Furthermore, he also performs the specific duty of serving as the closest assistant to the president. Jakgung Ismail Saleh, master of laws, says of him: "Sudharmono is among those who know the most about President Suharto. He is best able to interpret precisely what Soeharto means and wants in everything he says." He added: "Other people may make mistakes in this connection."

Sudharmono, whose highest rank in the Indonesian Armed Forces was lieutenant general, is not a new man in GOLKAR. So not many GOLKAR people were surprised when he was appointed to this position. But to the general public he is better known in his position as a cabinet minister. This is because he has been state secretary practically since the beginning of the New Order in 1966, a position which he initially held as secretary to the Cabinet Presidium, serving as state secretary since 1972.

Many people consider him correct and careful in manner. Perhaps this is because it appears to his subordinates that he has never abandoned the formal and informal training he has received. He was certainly informal during the armed struggle for independence, when he served as a unit commander in the Ronggolawe Division in Central Java. After the war he decided to continue his military career, and in 1950, at age 23, he went directly into the Army Officers Training Center. There he began to be trained as a professional military officer while completing his education in senior high school [SMA] which had been interrupted by the war for independence. His serious and precise manner was further strengthened when he entered the Academy of Military Law, which he graduated from in 1956. He then went on to the Institute of Military Law and obtained his degree as a master of laws in 1962. After that he held various positions as acting Army judge advocate general, special assistant to the Secretariat of the Consultative Council for Assisting the Leaders of the Revolution, second deputy chairman of Joint Group 5 of KOTI/KOGAM [Supreme Operational Command/Command for Crushing Malaysia], and chairman of the Central Personnel Control Team. He held all of these positions up to 1966.

However, regarding his association with GOLKAR, this in fact began with the first meeting of the Joint Secretariat of GOLKAR on 20 October 1964, which will go down

in history as the date of the establishment of GOLKAR. This meeting was attended by representatives of 97 organizations which issued the "Charter and Basic Statement of Functional Service." Sudharmono was then a lieutenant colonel representing PERSAHI (Union of Indonesian Masters at Law). He was the secretary of the central organization of PERSAHI and was also chairman of the Jakarta branch of the organization until 1966.

Sudharmono was not only one of the pioneers in the establishment of the Joint Secretariat of GOLKAR from the time of its first meeting. He also entered its executive body, the Daily Executive Council of the Joint Secretariat of GOLKAR, which was established at the First National Working Consultative Assembly of the organization, held from 9-11 December 1965 at Cipayung, Bogor Regency. Lieutenant Colonel Sudharmono was a member of this body. Until very recently, in fact, when he was appointed general chairman of the organization, he remained a member of the Indoctrination Council [Dewan Pembina] of GOLKAR.

That is how Sudharmono has followed his military and political careers. He has gone through all of that, slowly but carefully, without jumping from position to position. He is not the kind of person who likes commotions about unusual things. He can be spoken of as a colorless leader, not flamboyant like, for example, the person he has just replaced as general chairman. A person who knows him said: "Basically, Sudharmono's preference is for the straight road, not one that twists this way and that way."

But how was Sudharmono when he was young, when he was forming his character and private disposition?

Sudharmono was born in Cerme, Gresik Regency, East Java, on 12 March 1927, the son of R. Wirodiredjo and Soekarsi, his wife. From the time he was small he and his elder brother and sister experienced many of the trials of life, for both of their parents died while they were still young. Their mother died while giving birth to her fourth child, who also died at about the same time. About 3 months later, in 1930, his father also died.

At the time Dharmono was just 3 years old; Soenar, his elder brother, was 9; and Siti Soekarno, his sister, was 7 (she died in 1952). The three children were taken to live in the home of their uncle, the younger brother of their late father, who was named Reksodiredjo, a clerk in Kabuh, Jombang Regency. Soenar, who is now 62 and lives in Malang, where he is active in the educational field, says: "Our experiences when we were small were about normal. So we, and particularly Dharmono [nickname for Sudharmono], since he was the youngest, didn't miss our mother and father much. We were, in fact, orphans. That's how it was."

One experience which Soenar cannot forget was when his younger sister and brother left their uncle's house without permission. From Kabuh, in Jombang Regency, the sister and brother, who were 9 and 5 years old, respectively, followed along the banks of the Brantas River. Soenar said: "Our uncle and aunt were certainly upset." When they reached a point on the banks of the Brantas River near Mojokerto, Siti Soekarni and Sudharmono met a nurse who turned them over to a village chief

there. Soenar said: "I don't know precisely whom they met there." It is not known how R. Sosrodihardjo (the elder brother of their late mother), a cashier in an office in Semarang, succeeded in finding Siti and Sudharmono, later taking them to Rembang [Central Java] and turning them over to their grandfather, who had retired after serving as an assistant district chief in Balen Sub-District, Bojonegoro Regency, East Java.

While living with Soemodihardjo, his grandfather, Sudharmono began to attend the HIS [Dutch elementary school for Indonesians during the colonial period] in Rembang. It turned out that the teacher of his class thought Sudharmono was too advanced for the first grade and promoted him, not to second, but to third grade. "So he skipped two grades," Soenar said. Sudharmono attended junior and senior high school in Semarang, living with relatives. In junior high school he took the exact sciences preparatory course. He did not complete senior high school at the time because the struggle for independence began before he finished his studies. It was not until after the transfer of sovereignty [in 1949] that Soenar and Sudharmono met again. They had been separated because Soenar attended junior high school in Surakarta [Central Java], staying with other relatives. He moved from Rembang to Surakarta, and then to Blitar [East Java]. Soenar said: "That's the way it was. When we were small, we went from one uncle to another, so that we could go to school."

Soenar said: "Children these days may not be able to stand up under adversity. We ate cassava, sometimes rice, joined in planting rice in the fields, and took care of water buffaloes. Perhaps that is what made Dharmono stand up against the troubles he encountered. That is what made him able to understand the sufferings of other people and become a religious person."

After the war for independence was over, Soenar himself landed a job in the Railway Office in Malang, while Sudharmono continued his military career as a second lieutenant in Bandung. Soenar recalls that during the period of the war for independence Sudharmono served with a unit under Major General Djatikusumo.

After the war Soenar went back to senior high school in Malang and graduated in 1952. It turned out that his younger brother, then a second lieutenant, also graduated from senior high school in Bandung in 1952. Soenar recalled Sudharmono's remark when they met in Bandung in 1952: "So you graduated from senior high school. I also graduated from senior high school this year."

How were conditions when young Sudharmono served during the war for independence? Mohammed Said, chairman of the East Java Provincial Executive Council of GOLKAR, served with Sudharmono in the Ronggolawe Division under the command of Major General Djatikusumo from 1945-48. He met Sudharmono at division staff meetings. The most active element in the Ronggolawe Division at the time was certainly the combat troops in which Ali Said and Sudharmono served. He doesn't remember precisely what Sudharmono did at the time. Mohammed Said said: "However, clearly, he was clever, intelligent, careful, and accurate. At the time Sudharmono and Ali Said, who is now minister of justice, were young officers but were not particularly reluctant to express their views. And it can be said that the combat unit

That Ali Said and Sudharmono served in was the brains of the Ronggolawe Division." The Ronggolawe Division had three areas under it: Pati [Central Java], Madiun [East Java], and Bojonegoro [East Java]. Sudharmono was at the division command post in Mantingan (Blora Regency) [Central Java] and later moved to Cepu [Central Java], following Major General Djatikusumo, the division commander. Meanwhile, Mohammed Said, who was a first lieutenant, was in Bojonegoro. He said: "My impression was that Sudharmono could be called an original thinker and strategist who was able to accommodate his wishes to the views of others." He added: "The reason for this view is that, although they were still in their 20's, it was clearly Sudharmono and Ali Said who were recognized as the brains of the unit and the prime movers of Ronggolawe Division activity. That is my impression."

Meanwhile, Antonius Ramli, a high school teacher in Malang who attended high school with Sudharmono in Semarang and was his roommate at a boardinghouse, says that Sudharmono is not only diligent but also intelligent. When they were taking final examinations at Pati (where there was a junior high school during the independence struggle), Sudharmono and Ramli often sold food at the school. Ramli said: "Yes, we sold cake and fried bananas which we picked up at a restaurant. We saved the money when we returned home from school." He says he was a close friend of Sudharmono's. He states: "Even now, Dharmono does not forget his friends. Indeed, he often used to speak at reunions of our wartime unit. There has been no change in his attitude. He still has simple manners. He speaks easily to others and does not forget his friends. He is really an able man," Ramli said. Ramli recalls that Sudharmono often assigned him the task of checking enemy territory where operations were being planned, to make sure there were no ambushes waiting for their unit.

At present Sudharmono is 50. He will hold two senior-level, demanding positions as minister and state secretary and as general chairman of the Central Executive Council of GOLKAR. Holding the two positions is permitted because in the executive branch of the government and in the social and political organization there is no regulation which prohibits holding such positions simultaneously. With his experience as a "manager" and as a careful administrator up to now, it appears that he will be able to divide his time between the two functions. The only problem is that he may have trouble finding the time for tennis, which he likes very much, in his schedule.

He is known as a sports enthusiast. And when he was younger, he was much inclined toward athletics. Soenar, his brother, said: "He ran in the 100 meter hurdle event at the First National Games (PON I) in Surakarta. But I don't know which group he ran for at the time." According to other information, at the time he ran for the Yogyakarta athletic group.

Sudharmono is married to Katu Emma Norma, who is also well-known in the Dharma Wanita [women Volunteers] group and is a GOLKAR leader. This couple has three children--two daughters and one son, who are all married. This successful family life has certainly created an atmosphere for them which has made it possible to work steadily. When he officially became the new general chairman of the Central Executive Council of GOLKAR yesterday afternoon [25 October], Sudharmono said:

"Every task is difficult. The only question is how we regard the task, so that we can carry it out in the best way possible." [Excerpts] [Jakarta KOMPAS in Indonesian 26 Oct 83 pp 1, 5] 5170

ENGINEER SARWONO--Engineer Sarwono was born in Jakarta in 1943. The second of three brothers, Sarwono once spent 3 years in school in London, where he lived with his uncle. He graduated from Bandung Technological Institute in civil engineering in 1974, when he was already a member of Parliament and a member of the Functional Development Faction. During his studies at the institute he was a reporter for the weekly publication, MAHASISWA INDONESIA, and he was also secretary general of the Bandung Studies Group, chairman of the Bandung University Students' Association, and general chairman of the Student Council of Bandung Technological Institute. In 1971 he went directly into politics in Parliament. In 1977 he became secretary of the Functional Development Faction, a post he still holds. Sarwono is the father of three children: two sons and one daughter. [Text] [Jakarta SINAK HARAPAN in Indonesian 25 Oct 83 p 12] 5170

VICE ADMIRAL HARYONO NIMPUNO--The post of inspector general of the Department of Foreign Affairs was transferred on Friday [4 November] from Lt Gen (Retired) Sarwo Edhie Wibowo to Vice Admiral (Retired) Haryono Nimpuno. The ceremony took place at the Department of Foreign Affairs, in the presence of Minister of Foreign Affairs Mochar Kusumaatmadja. Vice Admiral (Retired) Haryono Nimpuno was born in Nadiun [East Java] in 1921. Among the positions he has held were those of commander of Navy District III (1965), director general of maritime communications (1969-76), and Indonesian ambassador to Austria (1979-83). He retired from the Navy in 1976. [Excerpts] [Jakarta KOMPAS in Indonesian 5 Nov 83 pp 1, 9] 5170

SARWO EDHIE WIBOWO--After more than 5 years as inspector general of the Department of Foreign Affairs Sarwo Edhie Wibowo, 50 years old, completed his term of duty this week. The retired, three-star general had long been urged by his friends to write a book about his experiences. He told a TEMPO representative: "however, up to now I felt I just didn't have the time to do it." After leaving the post of inspector general of the Department of Foreign Affairs he feels he will have more time, although he is still busy with a number of matters: as commander of the Yogyakarta Palace Guards and his involvement in the task of administering the Pancasila Indoctrination Program [P-4]. This father of seven children says: "What I want to write about is what I experienced or know as an Indonesian soldier of the generation of 1945." From 1962-64 he was chief of staff of KPEAD [Army commandos], now known as KOPASSANDHA. He was commander of RPKAD from 1965-67, commander of Military Region II/Bukit Barisan [North Sumatra] in 1966, and commander of Military Region XVII/Cenderawasih [Irian Jaya] in 1969. From 1970-73 he was governor of the Indonesian Armed Forces Academy and Indonesian ambassador to the Republic of Korea for 4 years [1974-78], before entering the Department of Foreign Affairs, where he served as inspector general. Although he has had a great deal of experience, Sarwo Edhie wants to be careful. He said: "People sometimes think of themselves as having done a great deal or dealt with important matters. However, they often forget that what they thought was important was in fact nothing much in historical terms." [Text] [Jakarta TEMPO in Indonesian 5 Nov 83 p 21] 5170

Haji Eddy Sabara--he is always ready to be installed in office as governor of a province. At the very least this is because he doesn't need to spend much time getting his clothes ready for the installation ceremony. He always has the uniform of a governor ready for wear--for use if he is installed in office as acting governor in one of the provinces. Haji Eddy Sabara, 56 years old, is better known as a specialist in the position of acting governor than in his permanent position as director general of PUOD (General Government and Regional Autonomy Affairs) in the Department of Home Affairs. Whenever the post of governor in one of the provinces becomes a difficult matter to handle, Eddy Sabara is there to fill it on a temporary basis. In addition to serving as governor of Southeast Sulawesi for two full terms and as acting governor of that province on two occasions, he has also been acting governor of Jambi, Central Sulawesi, and Aceh. He was acting governor of these last-named provinces when he was inspector general of the Department of Home Affairs. More recently, on 6 October 1983, while serving as director general of PUOD, he was installed in office as acting governor of Central Kalimantan. When he attended a limited meeting of governors 2 weeks ago, Eddy Sabara sat among the governors. The retired major general said: "As a governor, I noted down matters connected with my task as a governor. If the matter concerned my position as director general of PUOD, I noted it down under another heading."

Because he holds two positions, he must shuttle between Jakarta and the province where he is on duty. Now, he says, "I spend a week in Jakarta as director general and a week in the province as governor." In that connection his wife must also accompany him to the province as the wife of the governor, performing her various functions: leader of the PKK [Family Planning Education Program], chairperson of the Dharma Wanita [Women Volunteers], and so forth. "This is no different from being a regularly-appointed governor," Eddy Sabara says.

And that is what makes this couple feel that they will never complete the task of being provincial governor. In the history of Indonesia it may be recorded that Eddy Sabara was the provincial governor with the longest period of service, as regularly-appointed and acting governor. This story began in Southeast Sulawesi in 1960. The governor of the province, which was established in 1964, had been removed from office because there were indications that he was involved in the G30S/PKI [abortive communist coup d'etat in 1965]. Eddy Sabara, who at the time was chief of staff of Military Region XIV/Hasanuddin in Ujungpandang, went "home" as acting governor of the province where he was born. However, it was not until 1968 that he was installed in office as the regularly-appointed governor. When his term of office ended in 1973, there was no other candidate. Eddy Sabara's term of office was extended for a few months as acting governor, in the hope that there would be another candidate. Finally, he was installed in office for a second term as governor. When the second term of office ended in 1976, the same thing happened again. There was no candidate available for appointment as governor. Eddy Sabara was again installed in office as acting governor. As soon as a replacement was available, he was transferred to Jakarta (in 1979) as inspector general of the Department of Home Affairs.

At the beginning of 1980 he was assigned to Jambi as acting governor. After only 3 months he succeeded in his main job: finding a governor for appointment to a full term. In the middle of 1980 he was sent to Central Sulawesi as acting governor. Again, he took 3 months to find a permanent governor for that province. His term as acting governor of Aceh was rather long: 6 months. This was not because it was difficult to find a potential governor. There was another problem. In 1981 Aceh was hosting the national meeting of the IFTQ [Koranic Educational Assembly] when Eddy Sabara was acting governor. And he had to complete that program, also.

In the view of some observers, Eddy Sabara was most successful as acting governor of Central Sulawesi. For 1 year that province was in a state of uncertainty because of the differences between supporters and opponents of former Governor Moenafri, who was withdrawn from office before the end of his term. The Central Sulawesi Provincial Council [DPRD] repeatedly considered candidates for the post of governor of that province, but there was no agreement between the factions in the DPRD. When Eddy Sabara's name was brought up, everything went smoothly.

However, in Eddy Sabara's view, the most memorable period was his service as acting governor of Aceh. He said: "The respective factions in the DPRD had strong preferences. Electing a governor became a difficult job." Then what was his recipe for finding a gubernatorial candidate? He replied: "Patience and diplomatic skill."

Compared to his experience as governor of Southeast Sulawesi, his functioning as acting governor in four other provinces did not amount to much. Recalling his experience in Southeast Sulawesi, Eddy Sabara said: "In Southeast Sulawesi my experience really made an impression on me. I felt satisfied with the results when I left that province." He mentioned that his wife cried when he was asked to be acting governor of Southeast Sulawesi. His wife said that the reason she cried at the time was that: "I thought Daddy must have done something wrong to have been exiled to such an isolated area." At Kendari, Southeast Sulawesi, in 1966 electric lights shone like candles, and the electricity was only available from 6:00 pm to midnight. Drinking water was drawn from the river, and the total number of automobiles could be counted on one hand. Communications between the regencies in the province were dependent on an Indonesian Air Force C-47. The population of the province totaled 800,000, while the territory covered 170,000 square kilometers. Most of the people were engaged in shifting agriculture. He recalled: "When I visited Buton Island, the sailing canoe I took almost sank. I once almost slipped into a gully when I participated in a search for water. Luckily, I was able to grab hold of a tree."

Eddy Sabara built Southeast Sulawesi from nearly nothing. Investors and trans-migrants were brought in. Now the electric lights in Kendari don't look like candles any more. Indeed, now they use mercury vapor lights. During his period of service as governor the State University of Halu-Oleo was established in Kendari. Eddy Sabara said: "Kendari is a city of memories for me, as I grew up there."

He was born in Kendari on 17 February 1927, the son of a civil service policeman. This youngest of seven brothers spent his childhood in Kendari until he graduated from a Dutch elementary school. Because there was no higher school than that, Eddy moved to Ujungpandang, where he lived with an older brother. He was attracted to military service when he saw troops of the KNIL [Royal Netherlands Indies Army] training in formation. He said: "My older brother often beat me when I came home late. For hours I had been watching the troops at drill."

When he was in Ujungpandang (Makassar at the time), a youth movement was formed to oppose colonialism. Eddy Sabara joined it. At the time of the Westerling affair [an alleged massacre of Indonesians by Dutch troops in 1946] Eddy Sabara fled into the province, together with seven other young men. Using a 7 ton boat, he headed for Java, landing at Situbondo, East Java. From there Eddy Sabara went straight to Malang and joined the Mattalatta Battalion. It was there, in 1946, that his military career began.

His regular military training took place in Surakarta, Central Java. Eddy Sabara does not remember precisely when it was. What is clear is that after the troops of the Siliwangi Division moved to Central Java, a young woman who was a member of the Red Cross detachment of the Students' Army, was with them. Her name was Emmyria, and she was from Tasikmalaya [West Java]. This was the young woman who charmed Eddy Sabara, and now she is his wife. They were married in 1951 in Yogyakarta and spent their honeymoon in the jungles of Sulawesi, because Eddy Sabara was assigned to a unit hunting down the Andi Azis rebel group. Mrs Sabara was a member of the Red Cross detachment attached to Eddy Sabara's unit. From that time on he spent his military career in Sulawesi. They lived in Ujungpandang. Since 1966 he has been a civilian, beginning his service as acting governor of Southeast Sulawesi.

Since 1979 Eddy Sabara, his wife, and three daughters have resided in Jakarta. They live in a private home in Cipete, South Jakarta. Mrs Eddy Sabara says: "I am happy there. It is near the mosque, near the market, near schools, and we don't have the bustle and commotion of Jakarta." Her husband, who holds the Mahaputra Utama Star and a string of other decorations, enjoys sports played in the street in the morning. Eddy Sabara says: "That's because it's the only kind of sports activity that doesn't cost money." [Text] [Jakarta TEMPO in Indonesian 29 Oct 83 pp 75-76] 5170

CSO: 4213/84

RECRUITMENT OF 12,000 SPECIAL FOREST POLICE PLANNED

Jakarta HARIAN UMUM AB in Indonesian 4 Nov 83 p 6

[Text] Some 12,000 special forest police will be recruited to protect and safeguard forested areas from fires, illegal cutting and other forms of damage.

This decision was announced by Minister of Forestry Soedjarwo in a written speech that was read at a ceremony held in the data room in the offices of the governor of Southeast Sulawesi in Kendari on Saturday [29 October]. The ceremony marked the transfer of the position of head of the Southeast Sulawesi Provincial Forestry Service from Eng T.H.S. Sirait to Eng Soeriadi Soeriadiredja. The minister's speech was read by Eng Wartono Kadri, the director general of land rehabilitation and reforestation.

Minister Soedjarwo said that forest resources must be used to their utmost advantage to promote the prosperity of the people and therefore damaged forests must be rehabilitated and an optimal effort must be made to protect forested areas.

The minister said that the increase in the population presents a challenge that is being faced by the forestry organization. The growth of the population promotes development activities that are aimed at meeting the increasing need for food and clothing, but in the meantime forest monitoring activities continue to be escalated in the interests of environmental conservation, he said. A continuing watch should be maintained for forest fires, illegal cutting and other forms of damage, he added.

The minister also said that the efforts that are being made to control traditional forms of shifting agriculture and to transform nomadic farmers into settled farmers must be tied to population resettlement projects, village estate projects, transmigration projects, nucleus estate and smallholder projects and similar endeavors.

5458

CSO: 4213/80

TRANSMIGRATION GOAL OF 125,000 FAMILIES SET FOR PELITA'S FIRST YEAR

Jakarta HARIAN UMUM AB in Indonesian 4 Nov 83 p 2

[Text] H. Widarto, the secretary general of the Department of Transmigration, has stated that the minister of transmigration, following the instructions of the president, has set the transmigration target for the first year of the Fourth 5-Year Plan at 125,000 families. This includes general transmigration, spontaneous transmigration, and resettlement of residents of transmigration areas.

The secretary general, speaking at welcoming ceremonies held yesterday in the Sasana Krida Mukti auditorium of the Department of Transmigration for the first class of the School for Intermediate-level Administrative Cadre, also said that the transmigrants will be placed in central and eastern Indonesia. Some transmigrants will be placed in locations in western Indonesia, while conditions permit.

He said that there are six types of transmigration settlements, namely, food crop agriculture, estate crop agriculture, livestock raising, fishery, industrial and mining, and also retired servicemen.

He added that thus far only two types of settlements have been established on a wide scale.

He also stated that the basic assignment of the Department of Transmigration is to transfer population and manpower from densely populated to sparsely populated areas so as to build a new, better and more prosperous society. He noted that the Indonesian nation has gained experience in how to handle the transfer of population during the first three 5-year plans.

The secretary general told the 30 members of the class that they should be able to adapt and abstract the materials covered in the course.

According to Soedardjo, the head of the department's Education and Training Center, the course will last about 2 months and will provide some 620 hours of instruction, each hour lasting 45 minutes. Instructors are provided by the Department of Transmigration, the State Institute for Public Administration (LAN), the Management Board for Training Courses on the Implementation of Guidelines for the Application and Practice of the Principles of the Pancasila (BP7), and the National Defense Institute (Lemhanas).

5458

CSO: 4213/80

MIGRANTS HOPING TO FIND JOBS IN SABAH CREATE PROBLEMS

Jakarta HARIAN UMUM AB in Indonesian 4 Nov 83 pp 1, 2

[Text] The flow of job seekers from South Sulawesi to East Kalimantan and from there to Malaysian territory is beneficial in that it is one way of reducing unemployment.

However, since this traffic is not organized and is not carried out according to the provisions of law, it creates problems that must be settled.

Parliamentary Commission I reached these conclusions as the result of a working visit to South Sulawesi. The commission submitted its views on the situation at a plenary session of Parliament in Jakarta on Thursday [3 November]. The session was chaired by H. Nuddin Lubis, deputy speaker of Parliament.

Ipik Asmasubrata, the spokesman for the commission, said that one of the problems noted by the commission is that the job seekers do not have the credentials they need to go to and reside temporarily in a foreign country. Consequently, a large number of job seekers are now stranded and unemployed in the Tarakan and Nunukan areas, and are waiting for an opportunity to enter Sabah legally or illegally.

Public security and order in these areas also is being affected, and there have been many accidents at sea--with accompanying loss of life--because the boats carrying the job seekers have been overloaded.

The commission, noting that not all of the people who travel from South Sulawesi to East Kalimantan are Indonesia job seekers, said that an earnest and coordinated effort to handle this traffic must be made by the appropriate government offices.

The commission recommended that the number of development projects in interior and rural areas be increased in order to prevent a loss of population in these areas. It noted that a loss of population could create defense and security problems.

The commission feels that efforts to solve the problems that cause so many people to leave their villages should receive serious attention. It also feels that the activities of the people who recruit both male and female job seekers should be regulated.

5458

CSO: 4213/80

BULOG POSTPONES PURCHASE OF BURLAP BAGS

Jakarta KOMPAS in Indonesian 4 Nov 83 pp 1, 9

[Text] The National Logistics Agency (Bulog) announced in Jakarta on Thursday [3 November] that it has temporarily halted its purchases of burlap bags. It now has 24 million bags on hand and considers that this is sufficient to meet food stockpiling requirements until May of 1984.

Although the state and yield of the 1984 harvest cannot yet be predicted, Bulog is making all necessary preparations for the harvest and is giving priority to procedures for stabilizing base prices.

A Bulog public relations officer said, "In view of our present supply of burlap bags and the fact that the paddy and rice procurement period will not start until the beginning of February 1984, Bulog certainly is not going to buy any more bags." He added that new purchases will be made if it becomes clear that additional bags are needed when the paddy is being stockpiled.

Millions of burlap bags have piled up in the factories because Bulog stopped its purchases in March of this year. Bulog issued its statement in response to this situation. Bag manufacturers say that Bulog used the excuse that the harvest had not been as productive as anticipated in halting its purchases of their product.

No Requirement

When a KOMPAS reporter asked a source in Bulog about the situation he was told that Bulog is not required to buy burlap bags from factories in Indonesia and that there is no long-term contract between Bulog and the industry for the purchase of bags.

"They make their mistake in expecting us to buy all their production, and this is demonstrated by the present situation. Bulog's stock of burlap bags piles up and then Bulog is blamed when it doesn't make any more purchases," he said. He added that as businessmen they should consider the possibility that a situation like this might develop from the very beginning.

"The issue here is not just that the piling up of the bags in the factories threatens the jobs of thousands of workers. They also have to understand

Bulog's position, for Bulog buys on credit. If we buy on bank credit and the bags pile up, then what is the purpose in our buying?" he said.

Stockpiling by Bulog

The Bulog public relations officer said that one of Bulog's assignments is to stabilize the base prices of paddy and other food crops during the harvest season. This is done by purchasing the commodities from the farmers when the farm-gate price falls below the base price.

Several months before the harvest Bulog estimates the amount of commodities it may stockpile, and usually it also calculates the requirement for burlap bags.

The amount of bags purchased is keyed to commodity procurement estimates. And since commodities are procured in production areas, the bags are distributed in these areas on the basis of procurement plans. A stock of 18 million bags is usually on hand and these are distributed 3 or 4 months before the beginning of the harvest.

Bulog follows government policy, in this case the policy of the Department of Finance, in procuring burlap bags. The department requires Bulog to purchase the bags it needs from the bag industry at the base price.

It was estimated that 2 million tons of paddy would be stockpiled in 1983/84. However, the equivalent of only 1 million tons of rice was procured and consequently fewer bags were used. The procurement of rice fell below the estimate because the farm-gate price has remained above the provisional base price.

The public relations officer said that "more than 30 million burlap bags were used in 1982/83 but only 15 million in 1983/84." Thus, Bulog now has a large supply of bags, about 24 million. The entire stock comes from local factories. "Bulog does not import burlap bags," he said.

5458

CSO: 4213/80

PHNOM PENH MEETING MARKS VPA ANNIVERSARY

BK231420 Phnom Penh SPK in French 1248 GMT 22 Dec 83

[Text] Phnom Penh, 22 December (SPK)--The KUFNCD National Council held a meeting in Phnom Penh this afternoon to mark the 39th founding anniversary of the VPA and the month of Vietnam-Kampuchea solidarity.

Present on the presidium were, among others: Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense; May Ly, member of the DPRP Central Committee, vice chairman of the National Assembly and of the front National Council, and chairman of the Kampuchean Federation of Trade Unions; Men Saman, member of the KPRP Central Committee and chairman [as received] of the KPRP Central Committee Propaganda and Education Commission; Soy Keo, member of the KPRP Central Committee and deputy minister of national defense; Chan Ven, secretary general of the Council of State, vice chairman of the KUFNCD National Council, and chairman of the Kampuchea-Vietnam Friendship Association; Ngo Dien, ambassador of Vietnam; and Vu Nha, military attache of the Vietnamese Embassy in Kampuchea.

Also present on this occasion were many members of diplomatic corps accredited to Kampuchea.

Speaking on this occasion, Chan Ven recalled the history of the struggle full of sacrifices and self-abnegation of the VPA under the clear-sighted leadership of the CPV against French colonialism, Japanese fascism, U.S. imperialism, and Chinese expansionism.

The VPA, Chan Ven went on, not only accomplished these historic noble tasks toward its own people and fatherland, but also fulfilled its internationalist obligations toward Kampuchea and Laos by waging the struggle against Chinese expansionism, U.S. imperialism, and other reactionary forces to safeguard independence and peace in Indochina, Southeast Asia, and the world.

Located on the Indochinese Peninsula, Kampuchea and Vietnam are bound by time-honored special relations. Fighting against the same enemies for the same objectives and affected by the influence of their respective political events, the armed forces of the two countries have not ceased to help each other under all circumstances.

In particular, in the face of the most barbarous genocide practiced at the instigation of China by the Pol Pot-Ieng Sary-Khieu Samphan clique against the Kampuchean people, the heroic army of the Vietnamese people, animated by traditional solidarity, helped to form the People's Armed Forces of Kampuchea and topple the genocidal regime, thus allowing the Kampuchean people to win the final victory of 7 January 1979, which finally opened a new era of "independence, peace, freedom, and happiness" in which all workers have become the masters of their fatherland and their destiny.

Ever since this victory, Chea Sim went on, conforming to the necessary insistent proposals of the Kampuchean people, the Vietnamese Army volunteers have continued to support Kampuchea's revolutionary cause to defend and build a solid and prosperous Kampuchea.

We will never forget the noble services of the heroic Vietnamese Army volunteer cadres and combatants who sacrificed their lives for Kampuchea's revolutionary cause and for socialism.

Taking advantage of this occasion, may we be permitted to express our very sincere revolutionary feeling of affection of and gratitude to [word indistinct] fathers, mothers, and sisters who have sent their sons, brothers, or husbands to carry out proletarian internationalist tasks in our territory.

We have foiled all the maneuvers of the enemies and have weakened them. However, the Beijing expansionists, hand in glove with the U.S. imperialists and other reactionary forces, are not giving up their dark designs. They now continue to use Thai territory as a sanctuary to maintain Khmer traitors to the nation, Sihanouk, Son Sann, Pol Pot, Ieng Sary, and Khieu Samphan for the purpose of sabotaging the Kampuchean revolution and the rebirth of our people.

After adding that in the international arena, the enemies continue to use the label of the Coalition Government of Democratic Kampuchea to cover up their genocidal crimes and their treason to the nation and to the people, Chan Ven affirmed:

The Kampuchean party, government, and people energetically support the 28 September 1983 statement and the 24 November 1983 four-point statement of Yuriy Andropov, general secretary of the CPSU Central Committee and president of the Supreme Soviet Presidium.

In his speech, Vu Nha sincerely thanked the KPRP, the PRK Government, and the front, the people, and the armed forces of Kampuchea for their assistance to the Vietnamese people's protracted struggle against foreign invasions and for the praises they have lavished on the Vietnamese Army volunteers who are on an internationalist mission in Kampuchea.

He said: Five years ago, together with all of progressive mankind, the Vietnamese people welcomed with joy the historic 7 January victory of the Kampuchean people. Under the glorious banner of the Kampuchean National United Front for National Salvation and in coordination with the people and armed forces of Vietnam, the Kampuchean people rose up to topple the reactionary Pol Pot-Ieng

Sary-Khieu Samphan clique, thus saving the nation from genocide. In doing so, they refused to be used as a springboard for Beijing's acts of aggression against neighboring countries and for their expansion into all of Southeast Asia. At the same time, the Kampuchean people restored the traditional relations of friendship between Kampuchea and Vietnam and inscribed another page in their brilliant history.

Today, Vu Nha went on, may we be permitted to once again salute the marvelous renaissance of the Kampuchean people under the clear-sighted leadership of the KPRP. Within only 5 years, the Kampuchean revolution has recorded great achievements in all fields--political, economic, cultural, social, military, and diplomatic--bringing rapid changes in all respects to the life of each citizen, to every street, to every village, and throughout society.

The Revolutionary Armed Forces of Kampuchea, Vu Nha noted, have grown rapidly. Strengthening unity with the people, they have accomplished glorious feats, showing that they are worthy of their role of being an army of the revolutionary power to defend the people and the fatherland. They have foiled many perfidious maneuvers of the Chinese expansionists in collusion with the U.S. imperialists and other international reactionary forces.

This vigorous advance, Vu Nha pointed out, reflects the vitality of the Kampuchean people. They are undaunted, courageous, creative, and determined to turn Kampuchea into an independent, free, and social country.

Sharing your joy and pride, we clearly grasp the great importance of the special strategic alliance of the three Indochinese countries, and we are more aware of our duty to preserve and nurture this alliance, making it more lively.

Vu Nha stressed: Despite the successive failures they experienced in their efforts to annex the three Indochinese peoples, the Chinese expansionists and hegemonists are not giving up their dark designs. They have continued to collaborate with the U.S. imperialists and other reactionary forces in order to intensify a general war of sabotage and prepare a large-scale aggression to weaken and eventually occupy the three Indochinese countries, turning a deaf ear to Vietnam's good-will proposals to settle differences through negotiations. They have even more intensively pursued their war of sabotage against Vietnam and continued to refloat the Pol Pot clique in order to undermine the Kampuchean people's reconstruction efforts.

In the face of this situation, all our people and all our armed forces deem it necessary to strengthen solidarity and unity around the glorious CPV in order to bring success to the two strategic tasks defined by the fifth congress of the party: to build socialism and defend the fatherland.

We know very well, Vu Nha added, that in order to fully carry out our tasks, we must strengthen the combat alliance with the armed forces and peoples of Kampuchea and Laos so as to maintain and affirm the position of socialism in this part of the world. At the same time, we must promote the solidarity and multiform cooperation with the Soviet Union and other countries of the socialist community which constitute a sure guarantee for the triumph of our struggle to defend our independence and our socialist construction effort.

FRANCE CONSIDERS AID TO SIHANOUK CGDK FACTION

OW260806 Hong Kong AFP in English 0719 GMT 26 Dec 83

[By Francis Deron]

[Excerpts] Bangkok, 26 December (AFP)--France is considering extending direct, apparently humanitarian, aid to the Anti-Hanoi Cambodian Resistance Coalition led by Prince Norodom Sihanouk, sources in the prince's entourage said here today.

The Prince's acting representative in Bangkok, Lah Tol, told AGENCE FRANCE-PRESSE that one of the ex-monarch's sons, Prince Norodom Ranariddh, discussed the matter with French presidential adviser Regis Debray in Beijing last week.

Press reports published here said that this possible French aid--its exact nature was not specified--would be exclusively for Prince Sihanouk's faction, the weakest in the tripartite coalition government of Democratic Kampuchea (Cambodia). No confirmation of the reports was immediately available from French sources here.

Direct French aid, even humanitarian, to Prince Sihanouk would mark increased support to the leader of the Kampuchean resistance, analysts here said, noting that until now French relief assistance to Kampuchean refugees was channeled through international agencies.

Mr Lah Tol said Prince Ranariddh went to Beijing Tuesday, at the request of his father who was there on an official visit, to "discuss French aid" to the resistance with Mr Debray, President Francois Mitterrand's foreign policy adviser.

Mr Debray, who was in China on a private visit, conferred with Prince Sihanouk on 17 December.

Prince Ranariddh also had talks yesterday with senior Chinese officials about increased aid from Beijing aid to Prince Sihanouk's National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia (FUNCINPEC).
[Sentence as received].

SON SANN SAID TO FIELD 'ELITE' GUERRILLA FORCE

BK280144 Bangkok BANGKOK POST in English 28 Dec 83 p 3

[Text] Son Sann's resistance army last month set its newly-formed elite "red beret" force into operation to create "maximum insecurity" among Vietnamese occupation troops in Kampuchea.

The Khmer People's National Liberation Front [KPNLF] said yesterday the first 800-strong batch of red berets had already made their presence felt.

It said the guerrilla force was trained by Col Pann Thay, a former military officer who joined KPNLF from the United States, and was armed by the People's Republic of China.

The KPNLF said the force was split into groups of between 6 and 13 men and claimed they had been "busy isolating Vietnamese military positions in Kampuchea's interior by cutting off Vietnamese communication and supply routes in numerous strategic areas."

The force was lightly-armed and trained to carry out hit-and-run attacks on occupying forces.

It was understood the creation of the elite force was also calculated to improve the KPNLF's military image. Son Sann forces had been put in the shade by the Khmer Rouge faction, the strongest military partner, which had been responsible for most of the significant military operations against the Vietnamese.

The KPNLF statement also said it was introducing some changes in the planning, training, execution and implementation in its forces.

In addition to the red berets, the KPNLF Military Command under Vice President Sak Sutsakhan, had also trained select groups of guerrillas in what it called "Small Unit Leadership."

It said members of this new unit, a small number of whom had already graduated, were trained in leadership and psychological warfare.

Meanwhile, informed sources said Son Sann met with Thai Foreign Minister Sitthi Sawetsila at the Foreign Ministry yesterday following the return of the Democratic Kampuchean Prime Minister from Beijing.

No details were available about the talks.

The sources said that Khieu Samphan, vice president of Democratic Kampuchea, had already returned to Kampuchea after visiting Beijing where the three Khmer resistance leaders, including Prince Norodom Sihanouk, met China's strongman Deng Xiaoping.

VSO: 4200/345

BRIEFS

TRADITIONAL MEDICINE PRODUCTION--Phnom Penh SPK 20 December--A national research centre manned by six pharmacists and two herbalists went into operation in Phnom Penh in 1982. In the same year it experimentally produced 16 kinds of drugs for flu, fever, dysentery, indigestion, pneumonia, rheumatism and irregular menstruation from 514 herb species found in the provinces of Kompong Speu, Kompong Chhnang, Pursat, Battambang, Siem Reap-Oddar Meanchey, Kampot and Kandal. From "vor romiet" (*coscinium ustitatum*) pharmacists now make powder berberin which is as effective as tetracyclin in treating dysentery, intestinal infection and cholera. Berberin also activates gall secretion, reduces hypertension, and causes anesthesia. "Ta thoc," another medicinal plant, is well known for its tubers from which is made diosgenin, an agent widely used in chemical synthesis. In Phnom Penh, students from the College of Medicine and Pharmacy spend much time in a garden owned by the medical research centre where about 60 herb species are grown. [Excerpt] [BK230311 Phnom Penh SPK in English 1102 GMT 20 Dec 83]

GDR TO INCREASE AID--Phnom Penh SPK 23 December--The German Democratic Republic has decided to increase its medical and educational assistance to Kampuchea. An agreement to this effect was signed in Berlin Wednesday by Gerhard Weiss, vice chairman of the GDR Council of Ministers, and Phi Thach, Kampuchean ambassador to the GDR. [Text] [BK251249 Phnom Penh SPK in English 1208 GMT 23 Dec 83]

LAO DEPUTY MINISTER--Phnom Penh, 22 December (SPK)--A delegation of the Lao Institute of Orders, Emulation, and Merits led by its chairman, Impong Khaingavong, deputy minister of foreign affairs, arrived in Phnom Penh today to attend the first congress of the PRK's National Council of Emulation which will be held soon. The Lao delegation was greeted by Ung Phan, head of the Council of Ministers' Cabinet and vice chairman of the National Council of Emulation Standing Committee, and Thongpeng Souklaseng, Lao ambassador to Kampuchea. [Text] [BK251249 Phnom Penh SPK in French 1246 GMT 22 Dec 83]

SOVIET RED CROSS DELEGATION--Phnom Penh, 23 December (SPK)--Kong Korm, deputy minister of foreign affairs of the PRK, met in Phnom Penh on 21 December with the Red Cross delegation of the RSFSR led by its president, Aleksey Tyulindin, now on visit to Kampuchea. Kong Korm affirmed that the material and moral aid accorded by the Soviet Red Cross to the Kampuchean Red Cross has contributed actively to improving the life of the Kampuchean people on the one hand and facilitating the task of the Kampuchean Red Cross on the other hand. Kong Korm also expressed his firm belief that the cooperation between Kampuchea and the USSR will lay solid foundation for the development of the two nations in the interest of world peace. On his part, Aleksey Tyulindin highly appreciated the efforts made by the Kampuchean Red Cross together with the Ministry of Public Health in the protection of the people's health since liberation. He reiterated the support of his organization for the Kampuchean Red Cross to further promote bilateral cooperation. On 22 December the Soviet visitors left Phnom Penh in the presence of My Samedi, secretary general of the Kampuchean Red Cross. [Text] [BK251249 Phnom Penh SPK in French 0520 GMT 23 Dec 83]

CSO: 4219/16

YOUTH UNION BYLAWS PUBLISHED

Vientiane NOUM LAO in Lao 15-30 Jul 83, 1-15 Aug 83, 15-30 Aug 83

[15-30 Jul 83 p 14]

[Text] The LPRYU [Lao People's Revolutionary Youth Union] is the combat vanguard for youth. It is directly organized, led, educated, and trained by the LPRP. It consists of youth who are outstanding, awakened, and active among workers, farmers, intellectuals, military units, public security forces, and other social classes that agree with the LPRP political project and volunteer to fight for the work and ideology of the party.

The goal of the LPRYU committee is to unite and mobilize all youth to carry out the revolutionary goals of the party: to succeed in constructing socialism and to promote the construction of communism in Laos. In the immediate future its duty is to defend the nation and to victoriously construct socialism.

The LPRYU is a school for Marxism-Leninism, the brave revolutionary heritage of the party and the people; it trains youth in communist ideology, it educates young people to be the new socialist man with a lofty spirit of collective ownership, patriotism, and love for socialism, along with the spirit of proletarian internationalism, the love of working with high cultural, scientific, and technical levels, and love for progress, energy, and good health.

The LPRYU is an assault force of the revolution. It also unites and organizes youth to carry out all the policies of the party, and stands in the forefront in carrying out the 3 revolutions--the revolutions in production, science and technology, and culture and ideology--to be strong forces for the proletarian dictatorship.

The LPRYU is the reserve force and the strong right hand of the party. Its duty is to promote and recommend outstanding members so that the party will consider accepting them as party members and train them to be young cadres of the party.

The LPRYU is the representative for the rights and benefits and the right to socialist collective ownership of young people. It is directly responsible for the December Youth and Children.

The LPRYU was set up based on the principles of democratic centralism taking self-criticism and mutual criticism as criteria for its development, and working as responsible groups, committees, and individuals.

The LPRYU strictly carries out the party's foreign policies, determinedly takes part in increasing the special militant solidarity, militant relations, and the all-around cooperation between the youth union and the Lao people and the Vietnamese and Kampuchean Youth Unions and their peoples, firmly joins with and cooperates in every way with the Soviet Union and its people and also the youth unions and peoples of other fraternal socialist countries, and determinedly supports the struggle of youth unions and peoples throughout the world for peace, national independence, democracy, and socialism.

Chapter I. LPRYU Members

Article 1. All Lao youth (including peoples of other nationalities who have given up their own nationality to become Lao), women 15-28 years of age, and men 15-30 years of age who work without exploitation, and have become awakened to carry out the revolution organized and led by the LPRP, to determinedly take part in studying, fighting, and other tasks.

[1-15 Aug 83 pp 18, 19]

[Text] If they are trusted and loved by the masses, follow the regulations of the LPRYU, participate in the grass roots organization, and pay their membership fees, then they may be accepted as members of the LPRYU.

Article 2. Duties of LPRYU Members

1. Determinedly carry out the resolutions of the party and of the LPRYU, resolutely struggle through difficulties, complete the assigned duty, honorably take part in national defense and socialist construction, have a high revolutionary consciousness, and keep state secrets.
2. Train and form themselves in revolutionary ideology, have firm beliefs, qualifications, and morale, determinedly learn Marxist-Leninist theory, the direction and policy of the party, and culture, science and technology, and vocational subjects in order to endlessly improve their ability in all aspects.
3. Attentively improve and train all levels of youth union members to be strong in politics, ideology, and organization, and train themselves to be party members.
4. Carry out and support the right of ownership of the masses and youth union members, always be closely involved with the masses, propagandize, mobilize, and become models for carrying out party policies, plans, state laws, and different tasks of the LPRYU, be concerned with the standard of living of the masses, and always learn from the masses.
5. Increase solidarity among the youth regardless of sex, age, and ethnic background, and resolutely work against the enemies' tricks to divide us.

6. Steadily raise the spirit of proletarian internationalism, correctly carry out foreign policy, increase friendship and solidarity among youth in socialist countries, and progressive youth.

7. Train the December Youth and Children to be progressive and strong, and prepare Children to become LPRYU members.

Article 3. Rights of LPRYU Members

1. Discuss and vote on the work in the youth union congress.

2. Elect and be candidates in all levels of youth union administrative committees.

3. Express opinions to the youth union committee if there is an official evaluation or a decision on any matter concerning them.

4. Criticize, inquire about tasks, criticize cadres, members, and all levels of youth union committees in the form of questions, and make verbal or written proposals and send them to different levels of youth union committees including the Youth Union Central Executive Committee.

Article 4. Criteria for Accepting LPRYU Members

1. Anyone who wants to become an LPRYU member must send in an application by himself and report his biography clearly to the youth union grass roots committee where he is.

2. He must have 2 LPRYU members or one full party member to submit and guarantee his proposal. As for December Youth Union members, once their terms in that unit end, that organization will directly propose them for LPRYU membership. Where there are not yet any youth union members a higher echelon cadre of the youth union committee who comes to work in that place may make the proposal.

3. The youth union unit will make the decisions and cast ballots at a meeting for accepting those who will become youth union members. There must be more than two-thirds of the members within the unit present at the meeting. The decision will be based on a majority and must be approved by the youth union committee of the next higher level.

Article 5. If any youth union member does not join in the life of the unit and does not pay the youth union unit fees, the youth union must help to train that member. If that member has not changed within 3 consecutive months without any good reason, his name will be removed from the youth union organization. However, this must first be approved by the youth union administrative committee of the next higher level.

Article 6. A youth union member must report to his unit when his term on the youth union committee ends to be considered for approval to leave the youth union committee, except for those who are committee members in all levels of the youth union administrative committee and for whom it is considered necessary that they remain.

Any youth union member who encounters unavoidable difficulties and is not able to carry out youth union activities must report to the youth union unit committee for approval to have a rest. A vacation of less than 6 months will be decided by the youth union unit of the next higher level.

Chapter II. Principles and Organizational Structure of the LPRYU

Article 7. The LPRYU is organized on the principles of democratic centralism.

1. All levels of the youth union administrative committees must be selected by representatives at a congress of that level except in special cases where such committees are selected by the higher echelons.
2. Organizations of all levels of the LPRYU must be carried out according to the principles of collective leadership, allocating tasks for individual responsibility. All of the committee decisions must be made by a majority. Before a decision is made each attendee at the meeting has the right to express his opinions. However, once the decision has been made it must be carried out. The minority must follow the majority; the lower level must follow the higher level; the local level must follow the center.
3. The LPRYU in each locality and in each department has the right to make decisions within their own work areas; however, they must agree with the policy of the party and the resolutions of the youth union administrative committee at the higher levels.

Article 8. The LPRYU committees are organized into main administrative units or main work and main production units. The setting up or termination of the youth union committee at each place must be approved by the next higher level and reported to another next higher level.

Article 9. The organization and duties of the LPRYU in the military forces will be set later by the youth union central committee.

Article 10. The highest organization at each level of the youth union members is the congress of that level itself. However, in between two meeting sessions, [the final authority] will be the administrative committee of that level.

For election at the congress, representatives of all levels must follow the principles closely and cast secret ballots.

At the congress of each level of the youth union committee, at least two-thirds of the full representatives are invited to attend. Thus, the congress is considered valuable. The representatives who attend the congress for each level must be selected by casting ballots from the lower level. In a place where it is not possible to cast ballots to select representatives the higher echelons have the right to call for a congress to specify them. But before they do that, they must ask the views of the lower level first. The number of representatives who are chosen must not exceed one-fifth of the total number of the representatives who attend the congress.

The members of the youth union administrative committee who call for the congress must have attended the congress of their own level just as full representatives do. It is not necessary to be candidates in the lower level.

Article 11. The resolutions of the congress and of the youth union administrative committee must be approved by the next higher youth union administrative committee.

Chapter III. LPRYU Grassroots Organization

Article 12. The LPRYU uses villages, factories, settlements, schools, hospitals, offices, military base units, and other base units as their own grassroots organization (where this is not yet possible villages or cantons will be used for this purpose).

Any grassroots organization that has more than 3 youth union members can become one unit. If there are 2 members it can become a group and work with a nearby youth union unit. A base with over 25 youth union members might be organized into many units, and set up a grassroots youth union administrative committee. A youth union unit is part of the LPRYU grassroots organization.

Duties of the Grassroots Youth Union Committee

1. Study and teach socialist and communist ideology to the youth union members and the masses of youth, promote revolutionary qualities of morality, and the spirit of collective ownership, party policy, the plan and state laws and different tasks of the youth union committee, and endlessly raise higher the all-around ability of the members and the youth masses.
2. Organize all activities concerning the tasks of the youth union committee aimed at carrying out policies, the party policies, state laws, and the orders of the youth union committee to be victoriously effective.
3. Attentively improve the LPRYU committee to strengthen it in 3 aspects: politics, ideology, and organization; promote solidarity and unity within the youth union committee; criticize themselves and each other, be highly and strictly alert in the discipline of the youth union; and determinedly promote and bring in new members.
4. Pay attention to upgrading, training and recommending those outstanding LPRYU members to the LPRP for consideration for party membership.
5. Be closely involved with the youth masses, pay attention to the material and spiritual standard of living of the youth masses, encourage their creativity, and gather and reflect the opinions and the desires of the masses to the higher levels.
6. Attentively train the December Youth and the children to become the true new socialist man.
7. Increase solidarity and equality among ethnic groups, and advance the spirit of proletarian internationalism.

Train youth union members to firmly grasp and correctly carry out the policy of the party for different ethnic groups, and also party domestic and foreign policies.

Article 13. A Grassroots congress or youth union unit congress must be held once a year. When necessary an extraordinary congress can be called.

The duties of the grassroots congress or the LPRYU unit congress are:

1. Make decisions and approve their own youth union administrative committee.
2. Discuss, decide, and plan the youth union tasks at their own level.
3. Elect a new administrative committee for their own level and elect representatives to attend the higher-level congress (if there is one). The congress will decide the number of committee members on the grassroots and unit-level youth union administrative committees based on the guidance of the higher youth union administrative committee.

A youth union with 3-4 members must elect one secretary, and an additional assistant secretary if there are more than 6 members. For a youth union unit with more than 9 committee members, 3-5 youth union administrative committee members must be elected. The grassroots youth union administrative committees will be the ones that select the secretary and assistant secretary. If there are more than 9 committee members, a standing committee will be elected; however, this should not exceed one-third of the total number on the administrative committee.

The grassroots youth union administrative committee and the youth union unit will meet once a month. If there is a special task they can call for an extraordinary meeting.

Chapter IV. The LPRYU Committee at Provincial, [National] Capital, District, and Provincial Capital Levels

Article 14. Provincial and [National] capital youth union congresses will be convened once every 5 years; the provincial capital and district levels will be held every 3 years. If necessary the congress can be held sooner or later; however, this must be approved by the youth union administrative committee for the next higher level, and the lower level must be notified.

Duties of the Congress of LPRYU Representatives at Provincial, [National] Capital, District, and Provincial Capital Levels

1. Make decisions and approve reports.
2. Make decisions and decide on all work in their own area of responsibility correctly and consistent with the plans and policies of the higher youth union administrative committee and the party committee for their own levels.

3. Select a new youth union administrative committee and representatives to attend the higher-level congress (if there is one).

Article 15. Duties of the LPRYU Provincial, [National] Capital, District, and Provincial Capital Administrative Committee Levels

1. Organize and carry out their own congress resolutions, the resolutions of the party committee for their own level and the higher youth union administrative committee levels. Lead youth union organizations in their own localities to carry out all party policies, plans, and state laws, fulfill local political duties, guide, push forward, and inspect different activities for their subordinate levels regularly, and listen to their reports systematically.
2. Determinedly train youth union committee members to be strong in politics, ideology, and organization, improve solidarity and unity within the youth union committee, and criticize themselves and each other regularly.
3. Attentively raise the cultural level, specialized task, and science and technology, and train youth of both sexes in ideology and culture.
4. Report different problems concerning youth union work to the higher levels.

Article 16. A full session of the youth union administrative committees at the provincial, [national] capital, district, or provincial capital levels selects a standing committee, a secretary and assistant secretary, a standing committee to represent the administrative committee and leads in all aspects of work in the youth union committee of that level in between sessions of the complete committee congress of administrative committee [members].

[15-30 Aug 83 pp 11, 15]

[Text] The number of standing committee members should not exceed one-third of the total number of committee members in the youth union administrative committee.

The youth union administrative committee of Vientiane Capital will meet every six months; the district and provincial capital levels will meet every three months; and the standing committees meet once a month. However, an extraordinary congress can be called in case of necessity.

Chapter V. The LPRYU Central Committee

Article 17. A nationwide congress of the LPRYU committee will be called every five years by the youth union central committee. However, when necessary the congress will be convened earlier or later, but they must notify the lower levels.

Article 18. Duties of the LPRYU Congress

1. Make decisions and approve central committee reports.

2. Set the direction and duties of the LPRYU.
3. Modify, supplement, and recognize LPRYU regulations.
4. Select a new youth union central executive committee.

Article 19. Duties of the LPRYU Central Executive Committee

1. Study the direction, plans, policies, and plenums of the party and government and the resolutions of the LPRYU congress in order to make the direction and resolutions become its own detailed plan, and organize and carry it out effectively.
2. Improve and train youth union organizations of all levels to be strong, and increase the solidarity and unity within the youth union central committee so it will be the center of national youth union committee solidarity.
3. Represent the LPRYU committee members in government offices and mass organizations in cooperation with international youth union organizations.
4. Select and assign youth cadres within the scope of [the LPRYU CC] authority, and train the ranks of youth cadres nationwide.

Article 20. The full committee congress of the LPRYU central Executive committee will select the first secretary and the secretariat. The secretariat represents the executive committee in leading all tasks between sessions of the full executive committee congress which will meet twice a year (at the beginning and end of the year). The Secretariat will meet once a month. When necessary, an extraordinary meeting may be called.

Chapter VI. The LPRYU Inspection Committee

Article 21. The youth union inspection committee for any level must be appointed by the youth union administrative committee congress. It consists of a number of committee members in the administrative committee and also a number of cadres.

Duties of the Inspection Committee

1. Guide and carry out the principles of democratic centralism and the regulations of the youth union committee.
2. Inspect cadres and youth union members who violate the youth union regulations and the laws of the state.
3. Inspect finances and manage the finances [in accordance with the] regulations of the youth union central executive committee.
4. Make decisions and resolve the claims of cadres and youth union members concerning discipline and other cases.

Chapter VII. Children's Division and the December Youth

Article 22. Based on party assignment, the LPRYU committee is directly responsible for organizing, leading, and training children and the December Youth which operate under the regulations of the December Youth and the Children approved by the youth union central committee.

Article 23. All levels of the LPRYU organization are directly responsible for the [December] Youth and the Children, to help the younger generation in organizing enjoyable activities with good content to encourage the spirit of ownership and creativity of the December Youth and the Children and the right of ownership of the country, and to encourage individual December Youth and Children. Each youth must be able to demonstrate [how to be] a good model for study and discipline.

The [December] Youth and the Children's organization are the reserve forces of the LPRYU. The important task for the [December] Youth and the Children's organization is to train them to enter the ranks of the LPRYU.

The LPRYU is a driving force that firmly cooperates with the branches of supplementary education and culture and the mass organizations and schools, along with the parents of the [December] Youth and the Children in order to assist and cooperate in protecting and training the [December] Youth and the Children.

Chapter VIII. Commendations and Disciplinary Actions

Article 24. Regarding any organization and any youth union members with outstanding achievements in defending and constructing socialism or in training the December Youth and the Children, the youth union committee members will all be praised by the youth union committee or will be recommended to the administrative committee for praise as they see best.

All errors regarding the policies and plenums of the party and government and the regulations of the youth union executive committee, i.e., creating internal divisiveness, failure to carry out duties, misuse of position for personal benefit, etc.,..., must be punished depending on the seriousness of the error.

A. In the case of an organization the LPRYU committee may criticize the wrongdoing and warn or terminate the organization.

B. For individual youth union members the [LPRYU committee] may criticize their wrongdoing, issue warnings, demote or temporarily remove them from the youth union organization for training, or terminate them from the youth union organization.

Article 25. Exculpation of Disciplinary Violations for Youth Union Members

Regarding any youth union member who faces the charge of violating discipline in the form of criticism, and has been warned more than 5 months, if he can change and make good progress, the youth union unit congress may decide to exculpate that youth union member.

Chapter IX. Finances of the LPRYU

Article 26. The finances of the LPRYU consist of the youth union membership fees and other income.

There are separate rules for setting membership fees and for sending the membership fees to the higher-level organization.

The youth union members who are either full or associate members of the LPRP only have to pay party membership fees. They do not have to pay youth union membership fees. (The end)

9884

CSO: 4206/29

GUERRILLA, SELF-DEFENSE FORCES SUCCESSES NOTED

BK270722 Vientiane Domestic Service in Lao 0400 GMT 27 Dec 83

["Guerrillas and Self-Defense Forces Program"]

[Excerpts] In 1983, along with contributing to promoting production and consolidating and building the socialist country, our guerrillas and self-defense forces throughout the country strongly maintained a revolutionary spirit in carrying out the task of maintaining public security, social order, and tranquility in all localities. According to still incomplete statistics, in 1983 our fraternal guerrillas and self-defense forces scored actual achievements as follows:

Minor or major patrol activities to defend villages were carried out on a total of 1,845 occasions, including 756 occasions when these activities were carried out with regular and regional armed forces. Also 183 attacks were launched against enemy elements, including 74 attacks launched in coordination with other types of armed forces. During these attacks, 137 enemy agents were killed, 124 shot and wounded, 53 captured, and 99 others forced to surrender. Also, 272 guns of various types, 19 mines, 4.5 kg of dynamite, 7,639 rounds of ammunition, 2 radio transmitters, 7,500 dollars, 13,000 baht, 1,800 kg of rice, 26 oxen and buffalo from illicit traders, 2,200 kg of gold from illicit traders, and 2 kg of poison from the enemies were seized. Along with attentively and effectively carrying out activities to maintain public security and social order in the country, our guerrillas and self-defense forces throughout the country regularly paid attention to educational and training work in order to consolidate and strengthen themselves in the political and ideological fields.

CSO: 4206/56

BRIEFS

VIETNAMESE BANK DELEGATION LEAVES--Vientiane, 19 December (OANA/KPL)--The delegation of the Vietnamese State Bank led by its governor, which attended the second meeting of the three Indochinese (Laos, Vietnam and Kampuchea) State Bank governors in Vientiane, left here on 17 December. The second meeting of the three Indochinese State Bank governors was held here from 14 to 16 December. The vietnamese delegation was seen off at the airport by Boutsabong Souvannavong, governor of the Lao State Bank, and Sisavat Sisan, vice governor of the Lao State Bank and other officials. Nguyen Xuan, ambassador extraordinary and plenipotentiary of the Socialist [Republic] of Vietnam to Laos, was also on hand. While in Laos, the Vietnamese delegation had called on the general secretary of the Lao People's Revolutionary Party CC and chairman of the Council of Ministers, Kaysone Phomvihan, and visited several places of interest and production bases. [Text] [BK201435 Vientiane KPK in English 0911 GMT 19 Dec 83]

KAMPUCHEAN BANK DELEGATION LEAVES--Vientiane, 19 December (OANA/KPL)--The delegation of the National Bank Delegation of the PR (People's Republic) of Kampuchea led by its governor, Cha Rieng, left here on 17 December after having assisted in the 2nd session of bank [governors] of the three Indochinese countries held in Vientiane. Bidding farewell to the Kampuchean bank delegation were Boutsabong Souvannavong, Lao State Bank governor, and its vice-governors, Khamtan and Chanthachon. The PRK ambassador to the Lao PDR [People's Democratic Republic], Nguon Phansiphong, was also on hand. On the way home, Cha Rieng, in the accompany of the first vice-governor of Lao State Bank, Sisavat Sisan, will stop over for a visit in Lao Southern Champassak Province in response to the invitation of the Provincial Administrative Committee. In Vientiane, the Kampuchean National Bank governor, Cha Rieng, and his delegation had paid a courtesy visit to General Secretary Kaysone Phomvihan, and visited some industrial and agricultural production bases. [Text] [BK201435 Vientiane KPL in English 0914 GMT 19 Dec 83 BK]

DELEGATION RETURNS FROM GDR--Vientiane, 20 December (OANA/KPL)--The Lao Delegation of Trade led by its first vice minister, Thongsoukhoun Phounsavan, was back home from an official friendship visit to the GDR at the invitation of its German counterpart. The Lao Trade Delegation, while in the GDR, had signed a protocol on the exchange of merchandises between the two countries for 1984. The merchandises, according to the delegation, will include consumer goods, machineries and construction equipments. [Text] [BK221449 Vientiane KPL in English 0927 GMT 20 Dec 83 BK]

DELEGATION TO KAMPUCHEA--Vientiane, 20 December (OANA/KPL)--A Lao delegation led by deputy-foreign minister, Inpong Khai-Gnavong, left here on 19 December, to attend the first Kampuchean nationwide socialist emulation campaign which will be launched by the end of this month in Phnom Penh. The delegation was seen off at the airport by Soulivong Phasitthidet, deputy foreign minister and the Kampuchean ambassador to Laos, Nguon Phansiphon. Nguyen Xuan, ambassador of Vietnam to Laos, was also on hand. [Text] [BK221449 Vientiane KPL in English 0929 GMT 20 Dec 83]

DELEGATION RETURNS FROM KAMPUCHEA--Vientiane, 20 December (OANA/KPL)--The Lao Inter-Governmental Delegation for the Economic and Cultural Cooperation with Vietnam and Kampuchea led by its chairman, Maisouk Saisompeng, who is also a member of the Lao People's Revolutionary Party CC and minister of industry, was back home after having attended the second session of the Inter-Governmental Commission for the Economic and Cultural Cooperation between Laos, Vietnam and Kampuchea in Phnom Penh. The Lao delegation, on its way home, made a stop over in Hanoi and attended the conference on the economic, cultural, scientific and technical cooperation which was held in Hanoi on 13 December. The delegation was welcomed home by vice-chairman of the Lao commission and other officials. The Kampuchean ambassador extraordinary and plenipotentiary to Laos, Bui Van Thanh, were also on hand. [Text] [BK221449 Vientiane KPL in English 0924 GMT 20 Dec 83]

SOVIET EDUCATIONAL DELEGATION--Vientiane, 21 December (OANA-KPL)--An educational delegation of the Turkmen SSR led by its Minister Meredgul Aliyeva, yesterday afternoon arrived here for an official visit. During a period of 7 days the delegation is to exchange, with the Lao counterparts, lessons on educational [word indistinct] in a hope to strengthen educational relations between the two countries. The delegation will also visit some agricultural production sites. Welcoming the delegation at the airport were Prof Bountiam Phitsamai and Phian Sisonlat, respectively minister and deputy minister of education along with a number of Lao officials. [Text] [BK230308 Vientiane KPL in English 0906 GMT 21 Dec 83]

FOREIGN DELEGATIONS' DEPARTURE--Vientiane, 22 December (OANA-KPL)--The delegations of the Federation of Trade Unions of the USSR, Mongolia, Bulgaria and Poland which attended the first congress of the Lao Federation of Trade Unions [LFTU] left here on 21 December. The Soviet delegation was led by Matskyavchys, member of the secretariat of the Central Council of the Soviet Trade Unions, the Mongolian delegation was led by Dashdorj, vice-president of the Mongolian Central Council of Trade Union, the Polish delegation was led by Stefan Kociacy, and the Bulgarian delegation was led by Zhelyu Miluchev, member of the Communist Party of Bulgaria CC and president of Varna Party Committee. The foreign delegations were bid farewell by Thitsoi Saochanthala, alternate member of the Lao People's Revolutionary Party CC and president of the Executive Committee of the LFTU and other officials. [Text] [BK230308 Vientiane KPL in English 0933 GMT 22 Dec 83]

BOAT INAUGURATION--Vientiane, 22 December (OANA-KPL)--Two 140-ton Cargoes constructed by Vietnam technicians were launched here on 20 December in the Mekong

River. According to Mr Somvang Denchampa, director of the River Transport Company, these two boats are consisted of cranes and a standard safety system. "These two new cargoes will help to alleviate the work of river transportation in the Mekong," he said. The director of the company added that the boats will provide regular service in a few days. He further informed that the other two 100-ton transport-boats which were put into function in September 1983 were all constructed by Vietnam technicians. Present at the boat launching were Bouasi Lovansai, first deputy-minister of communication, transport and posts, and Bui Van Thanh and Dam Xuan Dung, respectively counselor and economic counselor of Vietnam Embassy to Laos. [Text] [BK230308 Vientiane KPL in English 0936 GMT 22 Dec 83]

PHOUN SIPASEUT RECEIVES FOREIGN DIPLOMATS--Vientiane, 22 December (OANA?KPL)--The ambassador extraordinary and plenipotentiary of the Republic of Indonesia to Laos, Bambang S. Kusumonegoro, on 21 December called on Lao foreign minister, Phoun Sipaseut who is also vice-chairman of the Council of Ministers. The Lao foreign minister and the Indonesian ambassador, during the warm and friendly discussion, gave emphasis on the improvement of the relations of friendship and solidarity between Laos and Indonesia. The issue of transforming the Southeast Asia into a region of peace, security, friendship and cooperation was also raised at the discussion. In the morning of the same day, the Lao vice-chairman of the Council of Ministers and foreign minister also received the charge d'affaires of Sweden to Laos, Mats Aberg [name as received] and the representative of the UN Development Programmes (UNDP) to Laos, Caspar Jan Kamp who bid farewell to the former after having achieved their term of mission in Laos. The Lao vice-chairman seized this occasion to express thanks to the Swedish diplomat and the UN official for their contributions in many fields for the economic and social development in Laos. He also wished them to successfully carry out their new missions. [Text] [BK221229 Vientiane KPL in English 0930 GMT 22 Dec 83]

BOAT CONSTRUCTION PROTOCOL SIGNED--Vientiane, 24 December (OANA-KPL)--A protocol on boat-construction technically assisted by Vietnam for 1984 was signed here between Somvang Denchampa, director of Lao River Transport Company, and Vi Hai, head of the Technical Department of the Vietnamese Communication and Transport Ministry. The signing ceremony was witnessed by Oui Soumontha, deputy-minister of transport and posts, and Dam Xuan Dung, counselor of Vietnam Embassy to Laos. Since 1981, Vietnamese technicians have already assisted Laos to finished construct [as received] nine transport-boats of different sizes, including two 140-ton transport-boats which were launched here on 20 December 1983. [Text] [BK241041 Vientiane KPL in English 0902 GMT 24 Dec 83]

SALI VONGKHAMSAO RECEIVES UNDP REPRESENTATIVE--Vientiane, 26 December (KPL)--Sali VongkhamSao, vice chairman of the Council of Ministers and chairman of the State Planning Committee, on 24 December, met Caspar Kamp, resident representative of the UNDP [UN Development Program] to Laos. Speaking to Caspar Kamp who since October 81 has represented the UNDP here and now near the end of his mission here, Sali VongkhamSao highly appraised his contribution in the work of economic and social development of Laos. Caspar Kamp on the other hand also thanked the Lao government for having provided him facilities to fulfill his mission here. The meeting proceeded in an atmosphere of friendship and cordiality. [Text] [BK261042 Vientiane KPL in English 0925 GMT 26 Dec 83]

CAMPAIGN AGAINST RESISTANCE NOTED--The Laotian government has launched a suppression campaign against resistance forces in Pak Khop and Pak Beng, opposite Chiang Rai and Phayao provinces, according to informed Border Patrol Police [BPP] sources. The sources said that about 4,000 Laotian troops and Thai insurgents of the breakaway Siam Mai communist faction were involved in the operation which began late last month. The sources did not give details of the military drive, but said that BPP forces in Chiang Khon and Thoeng districts of Chiang Rai and Chiang Kham District of Phayao had been placed on alert to prevent any spillover of the fighting. The sources added that the Thai insurgents had reluctantly joined the Laotian forces because they had to rely on the Laotian government to use its territory as a refuge. [Text] [BK030548 Bangkok BANGKOK POST in English 3 Jan 84]

USSR-TRADE EXCHANGE PROTOCOL SIGNED--Vientiane, 4 January (OANA-KPL)--The Lao People's Democratic Republic and the USSR recently signed, in Moscow, the fourth protocol on trade exchange and financial clearance for 1984, the Lao Embassy revealed. Signing for the Lao side on this occasion was Khamta Douangthongla, ambassador extraordinary and plenipotentiary of the LPDR to the USSR and for the Soviet side was I.T. Grishin, deputy-minister of external trade of the USSR. [Text] [BK041103 Vientiane KPL in English 0858 GMT 4 Jan 84]

GDR LECTURERS LEAVE--The delegation of lecturers of the SED Central Committee left for home on the afternoon of 19 December after concluding an 8-day friendship visit to Laos. During its stay in Laos, the delegation gave five lectures in Vientiane and visited some economic foundations in Vientiane municipality. [Summary] [BK221449 Vientiane Domestic Service in Lao 0000 GMT 20 Dec 83]

TRADE UNIONS DELEGATIONS LEAVE--On the afternoon of 19 December, the delegations of the trade unions of the SRV, the PRK, the GDR and the CSSR left Vientiane for home after attending the first National Congress of the Federation of Lao Trade Union [FLTU] held from 14 to 16 December. Earlier on 17 December, the delegations of the World Federation of Trade Unions, and of the Hungarian and Cuban trade unions also left for home. They were seen off at Wattai Airport by Thit Sot Sombaduang, alternate member of the party Central Committee and chairman of the Executive Committee of the FLTU, and the ambassadors of the countries concerned. [Summary] [BK221449 Vientiane Domestic Service in Lao 0000 GMT 20 Dec 83]

BURMESE AID HANDED OVER--A ceremony was held in Vientiane today to present 100 tons of salt as a goodwill gift from the Socialist Republic of the Union of Burma to the Lao Democratic People's Republic. The ceremony was attended by the chargé d'affaires ad interim of the Burmese Embassy in Vientiane, the deputy chairman of the State Committee of Laos for Social Welfare and Social Affairs, and other officials. During October 1982, Burma presented 30 water pumps to Laos at Laos' request. [Summary] [BK030416 Rangoon Domestic Service in Burmese 1330 GMT 30 Dec 83]

NEXT YEAR'S ELECTION OF MCA PRESIDENT DISCUSSED

Selangor KIN KWOK DAILY NEWS in Chinese 22 Sep 83 p 5

Text A year from now the Malaysian Chinese Association MCA will hold an election. Judging by press reports and the change last may in the MCA's leadership from the retiring Datuk Lee San Choon to Datuk Neo Yee Pan, it appears that the MCA's election next year will repeat the history of 1979.

In 1979, the MCA situation became tense when its general president, Datuk Lee San Choon, was challenged by Michael Chen Wing Sum, who has since quit the MCA and joined the Malaysian People's Movement GERAKAN. At that time, Michael Chen was the MCA's acting president in charge of administration and was held in high regard by the Chinese community. At one time he was regarded as the "savior of the Chinese people." According to one report, he challenged Lee San Choon at the instigation of his supporters who wanted him to become the MCA's president. At the same time, Michael Chen himself was ambitious to wrest the august post from Datuk Lee's hands. Thus, in a spirit of "better to die standing than to live kneeling," he launched his challenge openly, which became a cynosure of public attention.

At that time, the Chinese community and public opinion in general were divided into two camps--one pro-Datuk Lee, the other confident that Michael Chen would win the battle. The Chinese community seemed to like Michael Chen, but the MCA election result showed that Datuk Lee San Choon was returned to power. Not long afterward, the situation in the MCA returned to normal and on 2 June 1981 Michael Chen quit the party and joined the GERAKAN along with a number of his followers.

Next year the MCA will hold its regular election again. At the present time Dr Neo Yee Pan is the MCA's acting president. According to press reports, there are differences in opinion between Dr Neo and a leader in the MCA's central committee, Tan Khoo Chuan by name. Though they are still able to coexist, it appears that they have reached the stage for a confrontation, due to instigations and provocations from all quarters.

However, the case of Neo vs Tan is quite different from the Datuk Lee-Michael Chen incident. Michael Chen made his mark in politics, while Tan Khoo Chuan has shown a fine performance in the economic field. Therefore, if Tan Khoo Chuan decides to challenge Datuk Neo Yee Pan next year, the circumstances will be different.

Although Neo Yee Pan's reputation in the Chinese community is not as good as Tan Khoon Chuan's, yet he has not hurt the feelings of the Chinese people. He is the planner of the MCA's Eight Major Policies, one of which, the formation of a federation of Chinese associations, has made a good start, much to the satisfaction of the Chinese community. If he can keep up with his good work by unifying the Chinese people, Neo Yee Pan will win greater support from them.

As a matter of fact, ever since his success in promoting the federation of Chinese associations, we can see that Datuk Neo is paying close attention to the problem of Chinese unity. He maintains that if the Chinese want to enjoy a respectable position and reasonable rights, they must first of all unite among themselves and then, through concerted political force, strive at national endeavors. At the same time, Datuk Neo does not neglect development in the economic field. That is why as soon as he became the MCA's acting president, he announced that the MCA's remaining five major plans would still be pushed through. The formulation of the MCA's Eight Major Policies has proven Datuk Neo's ability in political, economic and educational fields. If all these policies become successful, they will bestow blessings to the Chinese.

In the past few years, under the painstaking planning of Tan Khoon Chuan, the Chinese economy was led toward the realm of big business. His meritorious service in this respect cannot be erased. If the MCA can appropriately coordinate Datuk Neo's political guidance with Tan Khoon Chuan's economic wizardry, the future of the Chinese in Malaysia will be smoother and brighter.

Unfortunately, according to press reports, Tan Khoon Chuan is not contented with his present position and there are signs that he is after the post of the MCA's presidency in next year's election. This news has become a hot topic of conversation in the Chinese community.

As far as can be ascertained, the Chinese people want to have Datuk Neo Yee Pan as MCA president, but at the same time they do not want to lose Tan Khoon Chuan. This view is shared by the majority of MCA members who want both Datuk Neo and Tan in the party leadership.

From a practical and objective standpoint, these two MCA leaders have their respective good points. Political and social observers contend that if the MCA loses one or the other, this would mean not only a loss to the political party but also a big sorrow for the Chinese society. The Chinese community needs a powerful political force and stable economic development. Therefore, should Tan Khoon Chuan decide to challenge Datuk Neo in the MCA's election next year, the party members will be faced with a difficult choice: Datuk Neo Yee Pan or Tan Khoon Chuan.

We know that when two tigers fight each other, one is likely to get hurt. Yet it is not easy to make up one's mind as to which of two desirable things to choose.

The MCA is a purely ethnic Chinese political party, representing some 5 million Chinese throughout the country. Therefore, no matter how you feel about the MCA, the rise and fall of this party has a great relationship with and effect on the Chinese population.

Judging by the prevailing political situation, the unity and political strength of our Malay compatriots are way ahead of the Chinese nationals. Because the Chinese are still in disarray and politically disunited, we are beaten in the economic, political and educational realms. The Chinese invariably get the short end of the stick.

It is sad to say that ever since our independence, there has never been unity among the Chinese, who, therefore, are losing or are unable to enjoy their due benefits. Besides the MCA, some other political parties which are based on an ethnic Chinese membership have been formed one after the other, including the GERAKAN and the Democratic Action Party. It is indeed deplorable that a nationality is divided into three parts.

Under such circumstances, support for the MCA has been weakened a great deal. How can the future of the Chinese remain bright? The MCA of the eighties is strong and its members' solidarity is unprecedented. Therefore, if the Chinese want to live glorious lives in Malaysia, there is no other choice. No matter whether you "like" or "dislike" the MCA, this political party, after all, represents the 5 million Chinese in Malaysia. Only by uniting under the MCA banner can we make joint efforts to consolidate our national endeavors for a thousand years.

9300

CSO: 4205/11

DIRECT CHINESE PARTICIPATION IN NATIONAL AFFAIRS URGED

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 20 Sep 83 p 13

[Text] "We ethnic Chinese citizens must take an active part in our national affairs in order to ameliorate the unfavorable sections in our national education policy," said See Toon Ho, executive committee member of the Malaysian Chinese Association **[MCA]**.

He was speaking at a "Youth Spiritual Revolution Training Camp" sponsored by MCA's youth wing, the Malaysian Youth Solidarity Movement, at Sido, Federal Territory, a few days ago. The contents of his speech, entitled "Review and Prospect of Our Education Policy," are as follows:

"For a long time, the problem of Chinese-language education was exploited as a political tool, which was unfortunate indeed. Of course, defending Chinese-language education is a righteous action and outcry, but unfortunately this has been turned into a political issue by opposition parties to get votes from Chinese electors. The result was an intense confrontation between the ruling and opposition parties. Powerful political forces adamantly refused to make concessions pertaining to Chinese-language education, thereby bringing more problems and obstacles to Chinese-language education in a multi-racial society and forming a distinct barrier between the two major nationalities.

"We are glad to learn that those who are concerned about Chinese-language education have awakened and have changed their course of action. During the last general elections, these people have shaken off the shackles of the opposition parties and decided to take a direct part in national affairs as a way to resolve Chinese-language education difficulties. Although the result is not yet known, we can be sure that this direct participation in national affairs has always been a mode of struggle by the sole ethnic Chinese political party, namely the MCA, in solving Chinese-language education problems.

"Whereas this mode of struggle was ridiculed in the past, it is gratifying to note that it is now generally recognized and put into practice. If all efforts can be coordinated and all unifying forces strengthened, we believe that we can achieve a breakthrough in favor of Chinese-language education in our national education policy. If we work earnestly, the prospects are good for improving the education policy and eliminating the worries and uncertainties of the Chinese community.

"The process for formulating and revising a national education policy begins with the existence of educational reports. During the colonial period, the two earliest reports were known as the 'Fanggo Report' [Phonetic] and 'Barne Report' [Phonetic], which advocated English-language education without mentioning Chinese-language education. When Malaysia became an independent country, the position of the Chinese-language education was even less optimistic.

"The system of our education policy is based on two reports: one was the 'Razak Report' of 1956 and the other the 'Dali Report' of 1960.

"These two reports form the basis of our national education policy. The main objective of the Razak Report is to 'create a generally accepted national educational policy...to attain a national language based on the Malay language and at the same time to protect and aid the cultural and educational development of other nationalities living in our land.'

"The objective of 'a national language based on the Malay language' was later extended into the National Language Act to speed up the pace of its application. The incorporation of this National Language Act into our education policy is at the root of the deterioration of Chinese-language education.

"The proposal contained in this educational report was the blueprint for establishing a national education system. Under the then prevailing situation, no one could negate the value of an independent country to establish its own educational system, nor was anyone permitted to obstruct an independent country from adopting a certain language as a national language for its entire people. Consequently, on the premise that the government must provide a national education, it must formulate a set of regulations to coincide with national interests. Thus was born what is today known as independent Chinese-language middle schools which are run without government subsidy in order to free themselves from government restrictions.

"At that time, Chinese society was not agreeable to the idea of accepting Malay as our national language; in fact most Chinese rejected it. Those who objected the loudest were two certain brother members of the People's Progressive Party who at first insisted on listing the Chinese language as an official language and later on demanded that Chinese be regarded as a practical language of the government. This opposition party tried to capitalize on the language issue as their political tool, but their efforts were soon forgotten. Today we have accepted the existence of the bahasa nasional [National language] as a fact and have a good record in its teaching and application. Recalling the past and comparing it with the present, we cannot help sobbing in sorrow.

"The educational system introduced in the 1960 Dali Report advocated the use of the national language as a vehicle to promote national integration and unity, which placed the Chinese language and its use from primary schools to the universities in a pessimistic position. Article 21(2) especially empowered the minister of education to undermine conditions in

Chinese-language primary schools, thus causing anxieties in the Chinese society. This clause became a vivid political issue during the past several general elections and was exploited by opposition parties in their attacks against the government. But this law exists in name only, for it has not been put into effect since its promulgation in 1961 22 years ago and past prime ministers have verbally guaranteed that they would not take any measure to worsen the condition of Chinese-language primary schools. All the same, we must be on the alert and seek practical ways to banish this fear once and for all. We must no longer tolerate the Chinese-language education problem to be twisted into a political issue.

"Having understood the spirit and objectives of our national education policy, the Chinese community members should firmly show their love of the Chinese language, without being motivated by its usefulness or profit, and enthusiastically send their children to Chinese schools to receive at least 6 years of Chinese-language education. This is the only way to guarantee the existence of Chinese primary schools. As Prime Minister Dr Mahathir has remarked: 'As long as the Chinese community needs Chinese-language primary schools, nobody can destroy them--or words to that effect. This is a pertinent remark indeed. Let us cherish it in our hearts for future reference.

"When, at that time, independent Chinese-language middle schools rejected government subsidies and curriculum changes, they were sealing their own fate through self-reliance. We were faced with the task of seeking and collecting large funds for maintaining and developing the schools and resolving annually recurring financial difficulties through large investments. This task was collectively borne by all members of the Chinese society.

"It is gratifying to note that as a result of our revival movement, conditions in the independent Chinese-language middle schools have improved tremendously through curriculum revisions and improved administrative organization. The attitude of the Chinese community has also changed from indifferent to supportive. I personally believe that this fine trend and development will strengthen Chinese confidence in the independent schools and prompt them to offer greater support, financial or otherwise. By pooling the wisdom and efforts of everyone, in the name of love for our mother-tongue education, the prospects of independent Chinese-language middle schools through self-reliance and a struggle for survival are bright.

"We need the powerful political force of the Chinese community to change the future of our national education policy, but not by the shouting of slogans as practiced by opposition parties. We must get involved in direct participation in national affairs in order to revise through negotiations, tolerance and patience the sections in the national education policy which are detrimental to us. This will come about through long-range effort and work. We are just beginning to step out in the right direction. Let us all unite and not turn the Chinese-language education into a political issue or allow ourselves to be used by opposition parties. The prospects of the national education policy are not so dreadful or disappointing as generally feared. As the saying goes, 'it all depends on human effort.' As long as our line of struggle is correct, we are marching along the bright road of success."

PM REAFFIRMS TO MCA: NO INTENTION TO IMPOSE ISLAMIC VALUES ON NON-MUSLIMS

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 17 Oct 83 p 1

Text Prime Minister Datuk Sri Dr Mahathir reaffirmed that the present government has no intention to impose Islamic rules and regulations on non-Muslims.

He said that Islam by no means forces non-Muslims to accept Islamic law.

"The government has no intention to violate this Islamic teaching," he added.

The prime minister expressed hope that the problem of incorporation of Islamic values will not become a political issue among political parties.

"I am worried that such a situation would threaten our country's peace and harmony."

Datuk Sri Dr Mahathir made these remarks while officiating at the opening ceremony of the 31st National Congress of the Malaysian Chinese Association **MCA** today.

As a matter of fact, he said, when Malaysia achieved independence, we already agreed that Islam is the officially-designated religion and that other religions may be preached and practices in any locality within our federation.

He said that paragraph 2 of the relevant article in the national constitution empowers the government to reject pressure from certain quarters to impose Islamic laws on non-Muslims.

"If Muslims hope to have Islamic law imposed upon themselves, that is their right. They also have the right to explain the Islamic law themselves."

The prime minister stressed that if there there is any country in the world that imposes Islamic law on non-Muslims, that is not because Islamic teachings so dictate, but because the arrogant political rulers indeed violate these teachings.

He said that as an outspoken person, he felt he must make this clarification.

Datuk Sri Dr Mahathir pointed out that Islamic values do not constitute Islamic law.

"In fact, there is little difference between Islamic values on the one hand and the concept of worldly goodness or badness on the other hand. Whatever a common man think is good, Islam feels the same way, too; and if he thinks it is bad, Islam believes it is bad, too."

Therefore, he maintained that the incorporation of Islamic values into government policy will not eradicate our country's inherent values.

He said that at the present time, an unhealthy trend prevails in the West which runs counter to Islamic and worldly values but which, unfortunately, has gained acceptance by certain people.

"At present, nudists are moving about freely in European cities, males are getting married to males and women to women, adultery, sodomy, lesbianism--all these are accepted as common happenings.

"Mutual respect among human beings or between leaders and their followers is no longer regarded as important. Males and females deliberately talk in vulgar language. Smoking marijuana and other drugs are considered as basic human rights, and individual rights more important than social rights."

He said that in the West it has become a kind of right to cause disturbances in society, while abiding by promises is no longer regarded as important.

He pointed out that this Western trend is spreading to the Orient and Malaysia. Many people think that if this trend is accepted in the West, it should be acceptable to us, too.

He said that Islam will not accept this kind of values, and that believers in any other religion will not accept this decadent morality, either.

The prime minister said that what is acceptable to us is Eastern cultural values, and these values form the originals of worldly values.

He held that nearly all these values are similar to Islamic values, therefore incorporating Islamic values into government policy will not harm other cultures or exert pressure to non-Muslims in our country.

He added that this is the purpose and intention of the government in bringing Islamic values into line with our official policy, without touching the rights of anybody.

"If Chinese women want to wear cheongsam a close-fitting dress with high neck and slit skirt d, nobody will stop them. But if they wish to go about naked in the streets, I believe no Chinese will tolerate it."

By way of example, he said that in Hong Kong when the colonial government, in line with British sense of tolerance, tried to permit intimate relationships between males, this move was opposed by the Hong Kong Chinese people.

Islam followers would definitely protest against it. Here it can be seen that Islamic values and Chinese values are identical.

The prime minister stressed that the government has no intention to force non-Muslims to believe in Islam or to abide by Islamic law. The government merely wants to incorporate only those Islamic laws which are compatible with the values of other nationalities.

9300

CSO: 4205/19

EDITORIAL: INCORPORATION OF 'COMMON VALUES'

Selangor KIN KWOK DAILY NEWS in Chinese 18 Oct 83 p 2

Editorial

Text In his speech delivered at the opening ceremony of the 31st National Congress of the Malaysian Chinese Association (MCA), Prime Minister Datuk Sri Dr Mahathir pointed out that the government has no intention to force non-Muslims to be converted to Islam or to impose Islamic law upon them. He indicated that the government stresses that the Islamic values to be incorporated into the administration do not constitute Islamic law. He said that in fact there is but little difference between Islamic values and "the concept of good and evil." Whatever a person with a sound mind thinks is good is also regarded as good by Islam; the contrary holds true, too. Therefore, in incorporating Islamic values, the government will not destroy the other values which are inherent in our country.

On another occasion, the prime minister also brought up the question of the incorporation of Islamic law into our administration and again guaranteed that the government will not force non-Muslims to accept Islamic law. This explains that henceforth Islamic values will apparently become a part of life of our people; at the same time, the prime minister deeply appreciates the worries and anxieties harbored by the 5 million non-Muslims concerning this issue.

Our constitution stipulates and Islam is the national religion, but at the same time it clearly guarantees freedom of religion and worship to non-Muslim citizens. The stipulations on the problem of religion in the constitution completely coincide with the national conditions of our multiracial, multi-cultural and multireligion country. It is precisely because freedom of religion and worship is guaranteed by our constitution that all religions can develop freely since our independence 26 years ago.

However, "actually everything is quiet under the sun, while troubles are the makings of human beings." At a time when all religions are developing calmly, some people just would not feel satisfied and wanted to make waves. Not long ago Deputy Prime Minister Musa Hitam divulged that these people, who had been under Western influence, plotted to topple our existing constitutional monarchy and to establish an "Islamic Republic."

With the emergence of activities which run counter to our national conditions and of unscrupulous people with ulterior motives, many non-Muslims in our country have become worried over the movement by the authorities to incorporate Islamic values.

Why does the government want to incorporate Islamic values?

In his Islamic New Year's message this year, Prime Minister Mahathir pointed out that the government was making efforts to guarantee Muslims to pursue the noble Islamic values and non-Muslims to pursue good worldly values with the view to "molding" a kind of highly-civilized human beings. He maintained that such efforts would not only bring benefit to the Islamic society, but also endow favors to the non-Muslim community.

In his latest talk, the prime minister cited examples of homosexual relationships prevailing in the West which, he said, run counter to Islamic values and non-Muslim moral outlook. Therefore, when the Hong Kong authorities wanted to legalize homosexual relationships, the move was opposed by the Chinese there. This shows that some Chinese values are identical with some Islamic values.

As stated by the prime minister, the Islamic values to be incorporated into government administration are only those which are identical with the values of other nationalities. Consequently, to avoid any possible misunderstanding by non-Muslims, we propose that the values to be incorporated be called common values. Perhaps this way would be more appropriate, and more proper, too.

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CSO: 4205/19

SUPPORT FOR TAMIL IN SRI LANKA CAUSES CONCERN

BK241222 Hong Kong AFP in English 0720 GMT 24 Dec 83

[Text] Kuala Lumpur, 24 Dec (AFP)--The government has expressed concern over Malaysian individuals and organizations, including the opposition Democratic Action Party (DAP), who are supporting the cause of Tamil separatists in Sri Lanka.

Deputy Home Minister Kassim Ahmad said an investigation should be carried out to check the degree of the Malaysians' involvement in the movement which seeks to create a separate state for the ethnic minority Tamils in Sri Lanka. He added however that "it is premature to comment further at this stage" and would have to wait until a full investigation has been carried out.

Violent ethnic riots which broke out last July in Sri Lanka between Tamils and majority Sinhallas left more than 370 people dead.

Mr Kassim was commenting on a report that the DAP and several Tamil organizations had participated in the international conference of solidarity with the Tamils of Sri Lanka in Madras, India, on December 3 and 4.

The conference was organized by the World Tamil Youth Federation and, according to DAP leader V. David who attended, 40 organizations in Malaysia including the ruling National Front parties were invited but only five or six attended.

Mr David said Samuel Raj of the Gerakan Party, a component of the ruling National Front, was also present as well as DAP Secretary General and opposition leader Lim Kit Siang.

The December 22 issue of the Hong Kong-based FAR EASTERN ECONOMIC REVIEW quoted Mr David as saying that the Tamil community here pledged support for the Tamil secessionist movement in Sri Lanka. The DAP strongman, however, denied that he had made such statements and instead said that only the Malaysians who attended the conference pledged support for the creation of an autonomous Tamil state in the north and eastern parts of Sri Lanka.

Deputy Foreign Affairs Minister Abdul Kadir Shaykh Fadzir said he regretted that some Malaysians and their organizations had lent support to the Tamil separatist movement in Sri Lanka and interpreted their participation at the conference as indirect interference in Sri Lanka's country's internal affairs.

He felt that such acts not only contradicted the country's foreign policy but could also damage the friendly diplomatic relations between Malaysia and Sri Lanka if their activities were allowed to go on.

Mr Abdul Kadir said he regretted the actions of some individuals and organizations that had protested to the Sri Lankan high commission over the country's alleged atrocities against the Tamil minority.

CSO: 4200/359

FORMING OF ANOTHER NEWS AGENCY URGED

Selangor KIN KWOK DAILY NEWS in Chinese 22 Sep 83 p 2

[Text] Tay Ahn Chuan, board chairman of this newspaper, today pointed out that the government should consider the establishment of another news agency or transfer the Malaysian national news agency, BERNAMA, to the Newspaper Publishers Association, which will organize an independent institution in order to ensure the safeguarding of press freedom.

Mr Tay stressed that the government's intention to authorize BERNAMA to take over the operations of foreign wire services is neither appropriate nor democratic, because some information could be withheld from publication, thus affecting freedom of information.

He made these remarks at KIN KWOK DAILY NEWS' public exhibition in Malaka today.

Mr Tay pointed out that a newspaper can inform the public of the events happening in the country and abroad every day, and its opinions can influence the people's outlooks on things. In a Communist or military-controlled country, the people absolutely have no right to publish a newspaper freely, because the authorities in those countries believe that a newspaper should reflect government opinions but not the opinions of the people. Therefore, the newspapers in those countries are under the strict control of the powers that be. Even in some democratic countries newspapers are likewise controlled by the authorities.

Board chairman Tay added that at the present time, newspapers in Malaysia still enjoy freedom of the press without serious interference by the government. What worries us is that about 2 or 3 months ago, the minister of information said that beginning 1 May, all foreign news may be distributed through BERNAMA NEWS AGENCY. It appears that the government is trying gradually to restrict freedom of the press.

He pointed out that at present newspapers get their information from various sources such as their own reporters or the government news agency, BERNAMA. This agency supplies government information directly to the newspapers. Another major source of news is the group of foreign news agencies, such as AGENCE FRANCE PRESS and ASSOCIATED PRESS. Newspapers obtain information directly from these wire services without a government intermediary.

Mr Tay said that if the government's intention to distribute foreign news through BERNAMA NEWS AGENCY is for an economic reason, that is to say, to save money, then it should form another news agency or transform BERNAMA into a private enterprise to safeguard freedom of information.

He also said that it is necessary for the government to make some policy adjustments. For instance, with regard to an application for a license to publish a newspaper, it is hoped that the government would consider revising the newspaper and printed publication regulations so that a license, once granted, need not be renewed every year. This way the newspapers will feel freer in planning their futures without fear of their licenses being revoked.

Mr Tay expressed hope that in promoting understanding between the people and the government, Chinese-language newspapers would play a more positive role. Criticisms emanating from the Chinese community against the government, if any, should be presented in a constructive manner. This way the authorities will know better about how we look at the country.

Earlier, Mr Tay noted that KIN KWOK DAILY NEWS was initiated in Ipoh and was distributed all over the country beginning in 1975. Although it has had a history of 43 years, it did not take a long time for the paper to reach nationwide distribution.

He said that the paper still needs wider dissemination among the Chinese public. A newspaper, besides reporting public happenings, reflects the voices of the people, which are worth knowing by the government. A newspaper has the obligation and responsibility to oversee the government's implementation of its policies, and it also has the duty to lead the people forward.

Mr Tay believes that the mass media has an important role to play, because it may be said that 90 percent of topics of the people's daily conversations are derived from newspapers.

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CSO: 4205/11

PROFILES OF NEW ARMY CHIEF, DEPUTY ARMY CHIEF

BK231045 Kuala Lumpur NEW STRAITS TIMES in English 22 Dec 83 p 7

[Text] Kuala Lumpur, Wed--Newly-appointed Army Chief General Datuk Mohamed Ghazali Haji Che Mat, in a glittering career that has stretched over 30 years, has not only shown that he is a fearless soldier but has also achieved several "firsts" in army history.

Gen Datuk Ghazali, then a lieutenant and platoon commander attached to the Second Royal Malay Regiment, was decorated with the prized gallantry award, Pingat Gagah Berani, in August 1958 by the Yang Dipertuan Agung for his contributions during the height of the emergency.

His name cropped up when the Government decided to establish another army brigade to ensure the security of Seclangor and the Federal Territory. Thus on January 1, 1972 he was appointed the first commander of the 9th Infantry Brigade.

When the government decided to set up a high-powered task force to deal with the problem of the Vietnamese refugees five years ago, the then Home Affairs Minister, Tan Sri Ghazali Shafie, appointed Gen Datuk Ghazali to take command.

Gen Datuk Ghazali was born on December 17, 1930 in Lenggong, Upper Perak. In February 1953, he joined the army as a recruit. He received his education at King Edward VII School in Taiping. He was commissioned two years later into the Royal Malay Regiment as a regular officer. During that time he attended officer cadet training at Eaton Hall and the Sandhurst Royal Military Academy in Britain. He is also a graduate of the Quetta Army Command and Staff College, Pakistan.

Gen Datuk Ghazali served in several commands before he was appointed the chief of staff, Department of Military Intelligence, the last post he held before becoming the new arm chief, replacing Gen Tan Sri Zain Hashim. He was the deputy commandant of the Armed Forces Staff College from 1964 to 1966. From there he moved to the 2d Rangers Battalion as its commanding officer. This was followed by a stint at the Ministry of Defense as a principal staff officer with the personnel division.

He served as the military attache with the Malaysian Embassy in Jakarta from February 1970 to April 1971.

From the 9th Infantry Brigade, he moved up the army hierarchy and was appointed chief of personnel staff, Ministry of Defense, earning a promotion to major-general. His next major appointment was as commander of Task Force VII, the special unit responsible for monitoring the inflow of Vietnamese refugees.

He was promoted to a three-star general on January 20, 1981 with his appointment of chief of staff, Department of Military Intelligence.

The new deputy army chief, Lt Gen Datuk Hasim Mohamed Ali, is very much a "soldier's general", having risen from the ranks over nearly 30 years. He received his officer cadet training at Eaton Hall in Britain in July 1955. On graduation in 1957, he was made a lieutenant and served in the 3d Battalion Royal Malay Regiment until 1959. Since then it was a steady climb from a captain in 1958 to a major in 1964. During this time he served in the 1st Infantry Brigade and as a commander of the 7th Battalion Royal Malay Regiment.

In December 1965, he was the assistant military adviser with the Malaysian High Commission in London and two years later he was promoted to deputy commander of the 10th Battalion Royal Malay Regiment.

In April 1968, he became commander of the 5th Royal Malay Regiment with the rank of lieutenant colonel. In March 1969, he was seconded to the Defense Ministry as an administrative staff officer.

On January 1, 1975, he was promoted to brigadier-general of the Rajang Security Command (Rascom) in Sarawak. Two years later he became a major-general and chief of staff (operations).

Last year, he was promoted to General Officer Commanding (GOC) Peninsular Malaysia and Second Infantry Division Commander based in Penang.

CSO: 4200/359

PRIME MINISTER TALKS ON LESSONS FROM BMF SCANDAL

Selangor SIN CHEW JIT POH MALAYSIA in Chinese 13 Oct 83 p 2

[Editorial]

[Text] At last Prime Minister Datuk Sri Dr Mahathir has broken his silence and made some clarification on the scandal in the Bumiputra Malaysia Finance (BMF), a Hong Kong-based subsidiary of the Bank Bumiputra Malaysia, which made loans totalling M\$1.7 billion to several Hong Kong property speculators, including the Carrier Holdings, Eda Investment and the Koh Khai Boon Group.

The main points of the prime minister's talk are as follows: 1) The reason that the government has not taken any measures against those persons involved in the BMF scandal is because the government still needs them to obtain pertinent information for the recovery of the loans; 2) these persons not only "rashly" issued the huge loans, but also gained personal profit in the process; 3) their selfish act, legally speaking, is not a crime, although morally wrong.

Analyzing these points, it can be seen that up to the time when [George] Tan Siong Cheng, chairman of the Carrian Group, was indicted in Hong Kong on charges of making erroneous and misleading statements, our government's main concern was how to retrieve the loans. However, after George Tan was formally arraigned before the court, the efforts to recover the loans were gone with the wind. Naturally enough, the prime minister now deemed it necessary to explain the government's stand on this hotly-commented subject.

In business, when a company is faced with the problem of difficult financial turnover, its helpless creditors are most reluctant to take drastic measures which might result in the company going bankrupt. Sometimes, when the company's credibility is excellent, its creditors will even go to all lengths in extending a helping hand to tide over the difficulties and to enable the company to repay its debt at a later date. Internationally, such cases have often happened. To aid Mexico's development of petroleum reserves, U.S. financial circles extended billions of dollars' worth of credit. Now although the oil price has plummeted and the debt-ridden Mexico has reached the brink of bankruptcy, yet the U.S. creditors

not only do not press for repayment, but also intend to provide Mexico with more loans. Therefore, it is quite understandable why the prime minister is trying, in so far as it is possible to do so, to let the "goose that lays the golden egg" live on.

What is unfortunate is that the neck of this goose has already been twisted and broken by somebody, and this has caused no small losses to our country. According to the prime minister's estimate, only 25 to 30 percent of the loans can be recovered.

The remaining problem now is how to deal with the persons who are responsible for this scandal. It cannot be denied that in seeking selfish profit and disregarding our national interests, the policy makers in the BMF who so rashly decided on the loans "should be given a stern reprimand." No matter how adept they were in penetrating "legal loopholes" and pocketing a fat "consultant fee," we must keep in mind that "past experience, if not forgotten, is a guide for the future." It is now high time for us to plug those legal loopholes. As regards the "consultant fee," there is really no reason why we should not do our utmost to retrieve it, especially because those persons committed what the prime minister has described as "heinous crimes."

At the present time, the punishment for those persons who "stole what was entrusted to their care" is dismissal from their posts. However, as the entire board of directors of the BMF holds collective responsibility for all decisions concerning the bank's activities, it is really a worth-studying question as to whether the entire board members should be censured or not. In addition, the authorities concerned should evidently inquire into the question whether it is an appropriate or inappropriate policy for a domestic bank to attach importance to international business loans.

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CSO: 4205/18

MORE DETAILS ON BMF SCANDAL REPORTED

Selangor KIN KWOK DAILY NEWS in Chinese 13 Oct 83 p 2

[Commentary]

[Text] Prime Minister Datuk Sri Dr Mahathir yesterday broke his silence and made a statement about the Bumiputra Malaysia Finance [BMF] scandal. He held that the reason the government did not take any measure on the matter was mainly because it hoped to recover the loans as much as possible. Under the present circumstances, with the Hong Kong property market at the brink of collapse, the stock exchange falling steeply and the Hong Kong currency going from bad from worse by the day, only one-fourth of the loans can be retrieved at the most.

The BMF issued loans to three companies, including the Carrion Group which got at least M\$1.7 billion (HK\$4.7 billion). If this huge business loan, or even one-fourth of it, cannot be recovered, it would incur serious losses to the BMF and, in turn, affect the development of its parent organization, the Bank Bumiputra Malaysia.

Besides being the parent organization of the BMF, the Bank Bumiputra Malaysia is also the No. 1 bank in the country. It has two major shareholders, one is the National Investment Company [Permodalan Nasional Berhad or PNB], which owns 80 percent of BMF shares, and the other is the Ministry of Finance, with 20 percent share ownership.

In recent years, in spite of world recession, the Bank Bumiputra Malaysia still earned a pre-tax profit of M\$80 million. However, its Hong Kong-based subsidiary, the BMF, has suffered losses amounting to M\$1,080,000, and if it cannot recover its loans in their entirety, its total losses may reach as high as M\$2 billion which must be borne by its parent company.

It is clear that the Bank Bumiputra Malaysia is prepared to shoulder this responsibility. In early July this year, this bank was ready to float new shares worth M\$600 million. These shares were all subscribed by the National Investment Company, thereby raising its BMF share ownership to 80 percent.

It is obvious that the purpose of the Bank Bumiputra Malaysia's capital expansion was to tide over the difficulties being faced by the BMF in Hong Kong. On the other hand, the Bank Bumiputra Malaysia retained its last year's profit to augment its capitalization. In the wake of the issuance of new shares, its paid-up capital has increased to M\$1,770,800,000.

In addition, the Bank Bumiputra Malaysia in early July this year acquired loans totalling M\$97,300,000 from four Japanese financial consortiums to help cover construction costs of the new headquarters of the United Malays National Organization [UMNO]. As a matter of fact, if the contingency had not befallen the BMF in Hong Kong, these Japanese loans could have been avoided.

Delving into the whole matter, as the BMF's capital mostly came from the National Investment Company, which in effect means money earned by hard toil of the people, therefore the Bank Bumiputra Malaysia should bear the responsibility to the entire people if these loans cannot be recovered.

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CSO: 4205/12

COMMENTARY CALLS ON MALAYSIAN CHINESE WOMEN TO PARTICIPATE IN POLITICS

Selangor KIN KWOK DAILY NEWS in Chinese 10 Oct 83 p 2

[Commentary]

[Text] According to the 1980 census, Malaysian Chinese totaled 3,860,000 of whom 50 percent or 1,930,000 were women.

Chinese women have never been too keen in taking part in social activities, and particularly in politics. At present the only Chinese woman member of Parliament is Rosemary Chong [Mrs Chow Poh Kheng] representing Hulu Langat District, Selangor State, while the only state assemblywoman of ethnic Chinese origin is Wu Lian Hong of Kuala Pari Constituency, Perak State. Both are members of the National Front.

Up to now opposition parties have no woman representative in Parliament.

Chinese women should be encouraged to take an active part in social activities and politics, and at the same time civic organizations should give more opportunities to Chinese women to become their leaders.

Some 45 percent of the electorate in the forthcoming by-election for Seremban are women. That is why the Chinese Malaysian Association [MCA] plans to recommend a woman candidate for the by-election.

According to Datuk Neo Yee Pan, MCA's acting president, this party may send a female general to the by-election battlefield. He also expressed hope that the Democratic Action Party [DAP] would agree to alleviating the political position of Chinese women to the same level as the women-folk of the United Malays National Organization [UMNO].

This implies that the MCA also hoped that the DAP would also send a woman candidate for the by-election contention.

Before the 1982 general elections, DAP Secretary General Lim Kit Siang challenged [MCA's] Datuk Lee San Choon to pick any one of the 12 electoral districts and Lim Kit Siang would enter into rivalry with him to the very end.

It turned out that Lee San Choon chose the Seremban electoral district, but Lim Kit Siang failed to show up for the tussle. This may be said to be a political breach of promise on the part of Lim Kit Siang.

Now the by-election for Seremban is fast approaching. The MCA wanted to send a woman candidate and hoped that the DAP would do the same. While this may be described as a political challenge, it will have an effect of spurring Chinese women to vigorously take part in political activities. The question is whether the DAP agrees or disagrees to the idea that this by-election will arouse Chinese womenfolk to take an active part in politics. Or perhaps the DAP simply couldn't care less about this matter. Its sole aim is how to recover this electoral district which slipped away from its hands in the past.

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CS0: 4205/18

DAP CHAIRMAN CALLS FOR INCORPORATION OF CHINESE LANGUAGE IN NATIONAL EDUCATION

Selangor KIN KWOK DAILY NEWS in Chinese 10 Oct 83 p 2

[Text] Dr Chen Man Hin, national chairman of the Democratic Action Party [DAP], today urged the National Front government to respect the realities of our plural society as a principle and therefore it should incorporate Chinese-language education into the mainstream of our national education development.

Dr Chen made this statement while attending an executive committee meeting of DAP Negeri Sembilan Branch this afternoon. He pointed out that ever since Independence, the government's education policy has been carried out in such a manner that the existence and development of Chinese-language education now finds itself in a more difficult position.

He indicated that under the present educational system, the private-operated independent Chinese middle schools constitute the only channel for students to further their studies from Chinese primary schools and for research in Chinese studies. Now that the plan to establish an independent Chinese university has fallen through, the responsibility of independent Chinese middle schools to propagate our mother tongue has become even greater.

He continued that the difficult position of Chinese-language education is inseparable from politics. For many years in the past, all laws and reports passed by Parliament adversely affected and hit the development of Chinese-language education, bringing about the following difficulties: serious shortage of teachers, serious shortage of classrooms, delay for the expansion and construction of school buildings, neglect in refurbishing school facilities, deviation in allocation of financial subsidies (only 7 percent), etc. All these seem to indicate a discrimination against Chinese-language education.

Dr Chen praised the enthusiasm of the Chinese public in supporting the independent Chinese middle schools. Although relegated from the mainstream of national education development, these Chinese schools have produced educational talents out of their own efforts. He maintained that to establish a united, stable and prosperous nation, the government

should give equal treatment to all educational origins and developments. He urged the Z-M [Mahathir and Musa] government to respect the realities of our plural society as a principle, review the existing education policy and the irregularities of its implementation, as well as incorporate Chinese-language education into the mainstream of our national education development of the 80s and the 90s.

He indicated that if the government does not change its perennially discriminatory stand and attitude against Chinese-language education, then the DAP, in the course of its political struggle during the 80s and the 90s, will vigorously call on the Malaysian people, especially the 5 million ethnic Chinese citizens, to stand united together and, through democratic procedures, to pressure the power that be to incorporate Chinese-language education into the mainstream of our national education development.

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CSU: 4205/1A

COMMENTARY DISCUSSES 'MALAYSIAN CAR'

Selangor KIN KWOK DAILY NEWS in Chinese 14 Oct 83 p 2

[Commentary]

[Text] In reply to an oral interpellation in Parliament, Datuk Abdullah bin Haji Ahmad Badawi, a minister in the Prime Minister's Department, disclosed that according to plan production of Malaysian cars will begin in July 1985. He added that initially annual production will be 80,000 cars, which will be increased to 120,000 by 1988.

The National Automobile Industry Company, Ltd is responsible for promoting the plan for Malaysian-built cars in Sa'anam [phonetic].

The minister said that the company's authorized capital is M\$150 million, of which amount 70 percent of the shares are owned by heavy industrial enterprises. Its paid-up capital has reached M\$32,948,000.

For developing countries, producing automobiles is a matter of time. Even Japan, the largest car-producing country in the world, is also making policy changes in automobile industry, because at present world consumption of automobiles has reached saturation point. Therefore, Japan is developing its own automobile industry in collaboration with foreign automobile manufacturers or by selling its technology to developing countries.

Another example of the shift in heavy industry involves steel production in the U.S., formerly the largest steel-producing country in the world. After U.S. steel production was caught up by Japan, the steel production center has now switched to South Korea. Forced to relinquish its steel refining industry, the U.S. is now opening up a new path to develop hi-tech industries.

Malaysia is 10 years late in ushering automobile industry. The principal aim for self-producing cars in 1985 is to supply the domestic market. According to general estimates, not many people will choose to buy a Malaysian car, preferring to trade in their old cars instead.

At present some 3 million cars of various makes are plying our roads and 2.9 million people hold drivers licenses. When Malaysian-produced cars start rolling out of the plant in 1985 and assuming 5 percent of car owners will

trade in their old cars. this would mean that there will be a market for at least 150,000 cars, not including those who will be buying a car for the first time.

At any rate, there is no problem for domestic marketing of Malaysian cars. Perhaps the day will come when we can export our cars to our neighboring countries. At present South Korea's "Steed"-brand cars are gradually breaking through foreign markets.

9300

CS0: 4205/19

COMMENTARY SUPPORTS PROPOSED PRIVATIZATION OF PUBLIC SERVICES

Selangor KIN KWOK DAILY NEWS in Chinese 15 Oct 83 p 2

Commentary

Test Prime Minister Datuk Sri Dr Mahathir's proposal to gradually privatize public services has won wide support among various circles. However, it requires mutual aid and cooperation between government policies and private enterprises in order to make this policy successful.

In a democratic country, especially a newly-independent nation, the gradual privatization of public services is an appropriate national policy that should be pursued in order to attain national strength and prosperity. A number of huge enterprises, such as public transportation, electricity supply and postal service, need mammoth capital and personnel, but after these services are able to run smoothly, they should be gradually transferred to the private sector for further development.

Dr Mahathir has his own reasoning and interpretation for proposing the privatization of public services. Caught by worldwide recession during the past two or three years, which led to the drop in raw materials prices, our national revenues have naturally decreased, which in turn has adversely affected the execution of Malaysia's Fourth Development Plan, and even slowed down or scratched a number of major development plans.

This is why the prime minister advocates that part of government public services and development industries be transferred to the private sector in order to reduce the government's huge expenditures.

Deputy Finance Minister Dr Ling Liong Sik clearly explained yesterday that the main reason for the privatization plan is because at present the government spends annually huge amounts of money to handle postal and telecommunications services, radio and TV stations, railways, aviation, navigation and hospital services. If these services can be taken over by the private sector, the government's financial burden will be greatly lightened. At the same time, the government will be able to reap more profits from these enterprises annually.

The government's encouragement for private circles to participate more in government development plans is a most accurate stand. On the one hand, the

people can have an opportunity to play an important role in the process of national development, and they can help minimize government financial burden on the other. However, private capital is limited and the government should be prepared to consider giving financial aid to private circles who are short of funds.

In the process of carrying out the privatization of public services, it is incumbent on the government to guarantee that large enterprises should not be monopolized by certain consortiums or enjoyed by certain people only. This is a big economic pie which every citizen has the right to share.

The privatization of public services has another good point, that is, they will later on render better and more efficient service. Take the railway service, for instance. On the average, the Malaysian Railway Department loses M\$3,900,000 every month, and there has not been any improvement in service for scores of years past; in fact it has been under constant public criticism; if it is run by private circles, it is believed that much improvement will follow. A Japanese international industrial institution has an intention of operating our railway service, constructing new rails, replacing old carriages and locomotives with new ones to render more efficient railway service to our people.

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CSO: 4205/19

BRIEFS

LEE SAN CHOON'S RESIGNATION--House Speaker Datuk Zahir Ismail this afternoon announced that Datuk Lee San Choon, former transport minister, has formally relinquished his parliamentary membership for Seremban. Prime Minister Datuk Sri Mahathir, answering a reporter's question, also confirmed this morning that Datuk Lee San Choon would tender his resignation to the speaker of the House of Representatives on the same afternoon. The prime minister told the press that a by-election will inevitably be held soon to fill the vacancy left by Lee San Choon. He said: "We (the National Front) will absolutely not give away the parliamentary seat to anybody." The prime minister also said that Datuk DR Neo Yee Pan, acting president of the Malaysian Chinese Association [MCA], called on him last week to formally inform him about the resignation intention of MCA's former president. The prime minister added that he has not received MCA's list of candidates who will take part in the forthcoming by-election. Prime Minister Datuk Sri Mahathir, who is concurrently chairman of the National Front, said that his talk with Datuk Neo Yee Pan was ordinary conversation between leaders of National Front member parties concerning how to resolve difficulties and other matters. [Text] [Selangor KIN KWOK DAILY NEWS in Chinese 11 Oct 83 p 1] 9300

EIGHT MORE NAVAL VESSELS--The Royal Malaysian Navy's strike capability will be upgraded by the acquisition of eight more vessels of various types costing more than 1.3 billion ringgit. The deputy chief of navy, Rear Admiral Datuk Abdul Wahab Nawi, says four will be Italian-built minehunters, two German-made corvettes or minifrigates, and two offshore patrol vessels. The corvettes, costing 200 million ringgit each, will be commissioned next June. He was speaking to reporters at the Malaysian Shipyard and Engineering Complex in Pasir Gudang, 32 km from Johor Baharu, today. The deputy navy chief added that the corvettes will be fitted with missiles similar to the Exocet and 100-mm rapid firing guns. The rest of the vessels will be delivered in early 1985. [Text] [BK271459 Kuala Lumpur Domestic Service in English 1130 GMT 27 Dec 83]

OUTGOING, NEW ENVOYS--Kuala Lumpur, Wed [BERNAMA]--Malaysian High Commissioner to Brunei and the Malaysian Ambassador to Italy received their letters of appointment from the Timbalan Yang Dipertuan Agung [deputy paramount ruler] at Istana Tetamu [state guesthouse] here today. Encik Zainal Abidin Ibrahim was appointed Malaysia's first High Commissioner to Brunei while Raja Mansur Raja Razman succeeds Datuk Kamaruddin Mohamed Ariff as the Malaysian Ambassador to Italy. The Timbalan Yang Dipertuan Agung also gave an audience to Australian High Commissioner to Malaysia, Mr Garry Woodward, who has completed his tour of duty. He was appointed to the post in 1980. [Excerpts] [BK231429 Kuala Lumpur NEW STRAITS TIMES in English 22 Dec 83 p 3]

CSO: 4200/359

BRIEFS

LEE KUAN YEW ON GENERAL ELECTIONS--The prime minister told parliament that the general elections, which was due in 2 years, was likely to be held earlier. He was replying to Mr J. B. Jeyaretnam, Anson [constituency], who asked about the vacancy in the Havelock constituency created by the death of Mr Hon Sui Sen. The prime minister said the laws were set out in the constitution. There was no reason why the people of Havelock should have a byelection. There was no reason anybody should be looking after Havelock under the constitution. There was no reason at all but for purely [words indistinct] offices, and to ensure that the vote would be forthcoming in the general elections he has sought, both in the capacity as the secretary general of the PAP [People's Action Party] and in his capacity of prime minister, to ask Mr Lee Yiok Seng, member of parliament for Bukit Panjang to nurse the constituency. Replying to another question by the same member, the prime minister said as there had been population shift away from the old densely populated center to new towns, his office would soon appoint an electoral boundary delineation committee consisting of civil servants. Their reports would be presented to the house. [Text] [BK201419 Singapore Domestic Service in English 1300 GMT 20 Dec 83]

RELAXATION OF ENTRY RULES--The immigration department is to relax its entry requirements, making it easier for visitors to come to Singapore from January 1. All visitors, except those from seven countries--Afghanistan, Cambodia, Iran, Laos, the People's Republic of China, the Soviet Union and Vietnam--will be allowed into Singapore without a visa for two weeks from that date. At present, this two-week stay without a visa is granted only to visitors from the ASEAN and Commonwealth countries as well as several countries, such as the United States, which have reciprocal arrangements with Singapore. However, even with this new visa-free facility, visitors must still satisfy local entry requirements such as having valid travel papers, enough funds during their stay here, plus return or onward tickets. [Excerpt] [Singapore THE STRAITS TIMES in English 23 Dec 83 p 1 BK]

CSO: 4200/352

NATION VIEWS MEETING OF CGDK LEADERS IN PRC

BK280141 Bangkok THE NATION REVIEW in English 28 Dec 83 p 4

[Editorial: "Khmer Coalition Meet in Beijing Seen Successful"]

[Text] During the past 1 week it must have taken long periods of negotiations and a lot of give-and-take on the part of the three leaders of the tripartite government of Democratic Kampuchea--we hope some of the season's spirit of goodwill contributed--to put up a united front. Given their temperaments and their ideologies, President Norodom Sihanouk, Vice President Khieu Sampan and Prime Minister Son Sann would not agree on anything, but there were compelling reasons, like the survival of their country, which should have overriding priority. But each in his own way is of great importance both for the guerrilla war and for the ultimate political solution.

But it is significant for both ASEAN and Vietnam that the meeting of the three leaders took place in Beijing and all three put up a united front when they met Chinese leader Deng Xiaoping. During the meeting China, as had been expected, promised to increase her arms aid to the three factions although it has been known for a long time that the Khmer Rouge will get the lion's share. What is important for ASEAN is that China continues to think of the liberation of Kampuchea from the Vietnamese yoke only in terms of armed strength. Beijing believes that Vietnam understands only the language of bullets, and probably that is correct.

While ASEAN had all along understood the Chinese intention of "bleeding Vietnam white," it may be bitter for Hanoi to understand that China is more closely involving herself with the resistance fighters especially the Khmer Rouge. Several observers have put forward the theory that during this dry season the Vietnamese war machine will overrun the resistance forces and will become the complete conquerors--something the Soviet Union has not been able to do in Afghanistan. But China seems to have other ideas.

While ASEAN is fully committed to finding a political solution to Kampuchean occupation, other countries also seem to think like China. The latest is that France is joining a number of countries which are giving humanitarian aid to one faction or other of the resistance movement. There is a resolution before the U.S. Congress--it has passed all the committee stages--that the United States should give humanitarian aid to the factions of both Son Sann and Sihanouk. Obviously the passage of this resolution is being delayed by the pressure of work and the intervention of the holiday season.

So if several countries are thinking along these lines, the chances of Vietnam going all out to eliminate all resistance seem remote. According to Sihanouk, most of the Chinese arms supplies go to the Khmer Rouge but there is still enough to be able to arm the other two guerrilla groupings. From the Chinese point of view, this is certainly correct, since if it comes to a showdown, the Khmer Rouge have long experience in guerrilla warfare and will make better use of their weapons.

During the next 5 months there will be answers to many of the questions that are being asked now. The Vietnamese themselves have an alternative--either to finish off the guerrilla war or to continue it and use the time to settle Vietnamese families in Kampuchea. There are so many variations, but the country which has followed a single-minded policy during the past 5 years, is China.

CSO: 4200/344

VOFA REVIEWS RELATIONS WITH LAOS IN 1983

BK261352 Bangkok Voice of Free Asia in Lao 1030 GMT 24 Dec 83

[Article: "Thai-Lao Relations in 1983"]

[Text] Thailand and Laos have been neighboring brotherly countries since ancient times. The peoples in the two countries are related by blood; share a common history; and share similar languages, customs, and traditions to a greater extent than any other countries on the Indochinese Peninsula. In 1983 the relations between Thailand and Laos have been very smooth and firm, as can be seen from the following developments:

1. In the domain of assistance and cooperation between Thailand and Laos, in December of this year the [Thai] government approved a plan to send 200 tons of glutinous rice to Laos at the request of the Lao government to solve a problem of rice shortage caused by drought in that country. This consignment of rice is unconditional gratis aid to Laos. The Thai cabinet has instructed officials concerned to deliver the rice to the Lao side as soon as possible.

2. With regard to the voluntary repatriation of Lao refugees to their motherland by the Thai government since 1980 with the cooperation of Laos, in 1983 the Thai side has repatriated 7 batches of Lao refugees, totaling 554. In addition to being carried out on a voluntary basis, the repatriation also shows the sincerity and good will of the Thai side toward Laos.

3. Relations at the local level:

3.1. [As heard] On 22 October, a traditional boat race was organized by the Nong Khai provincial administration on the occasion of the end of the Buddhist Lent. An invitation was sent to the Vientiane provincial administration to participate in the boat race. As a consequence, the Vientiane side sent 2 boats with 90 oarsmen to participate in the competition. In addition, a group of 10 members of the Lao-Thai Border Committee of Vientiane Province led by Khambot Sisouvong, acting chairman of the Vientiane provincial administration, also attended the boat race and paid homage to Phra Sai, a highly revered Buddha image of Nong Khai Province.

3.2. On 25 November, A Lao passenger ferry boat named S.K. 006 of Savannakhet was damaged and could not continue its journey when it hit a stone riverbed

marker at the Keng Kabao Rapids, opposite Ban Lamphakkeo Village in That Phanom District of Nakhon Phanom Province. Upon learning of the accident, Thai Mekong River patrol boats rushed to the scene and rescued 96 Lao passengers from the disabled craft.

3.3 With regard to border problems at any level, the Thai and Lao sides have agreed that no matter which side causes such incidents, the border committees at the local level must establish direct contacts to sort out any differences and immediately report to the higher levels of the two sides to effectively and rapidly settle the problems. During his courtesy call on Kaysone Phomvihane, chairman of the LPDR Council of Ministers, on 2 April 1983, the Thai ambassador to Laos also stressed the implementation of these procedures by the Thai side in solving Thai-Lao border problems at the local level. The Lao prime minister expressed his approval of the procedures. Moreover, the Thai-Lao Border Committee chaired by the interior minister has extended an invitation to the Lao counterpart to attend a bilateral meeting in Bangkok in January 1984. It has also instructed the border committees at the local level to establish constant contacts and promote mutual understanding with their Lao counterparts and to assist Lao citizens who cross the border to purchase essential household goods and to seek medical treatment at local Thai hospitals.

In the international arena, at an ESCAP-sponsored conference on landlocked countries held in Bangkok in November, fully aware of the problems faced by landlocked Laos, Thailand expressed its willingness to render brotherly assistance to Laos in resolving these problems. Moreover, at a round table conference on the least developed countries in Asia and the Pacific region held in Geneva from 9 to 18 May to find ways to assist these countries to develop their economies, even though it is only a developing country, Thailand said it would support Laos in its economic development. A Lao delegate attending the conference thanked Thailand for its cooperation in this regard.

Thailand and Laos have also established mutual cooperation in the Mekong Development Project which is considered to be the most important regional cooperation program in this region. As a result of the implementation of this project, Thailand has purchased electricity from Laos for consumption in the country, thus providing Laos with a handsome amount of revenue each year. In 1982 alone, Thailand paid \$22.5 million for electricity from Laos, which amounted to nearly one-half of the total export of Laos during the year.

It is pleasing to see that the brotherly relations between the two countries have made good progress this year, thus indicating the good will of Thailand toward Laos and showing that the blood relations between the peoples of the two countries cannot be destroyed by any force.

CSO: 4206/57

RADIO WARNS OF CONSEQUENCES OF SRV OFFENSIVE

BK251338 Bangkok Voice of Free Asia in English 1230 GMT 23 Dec 83

[Station Commentary: "The Vietnamese Military Buildup Will Bring About Undesirable Consequences"]

[Text] The BANGKOK POST this morning carried a report that Vietnam is poised to launch its strongest ever dry-season offensive in Kampuchea. Intelligence sources were quoted as saying that a large number of tanks, armored cars and artillery pieces, including 155mm howitzers, had been recently deployed in Ban Nimit, which is known as Vietnam's most important logistic center and fire-base in western Kampuchea. Also, a large number of Vietnamese troops are confirmed to have been stationed in the area.

Of course, Vietnam's prime target is the Kampuchean resistance forces, which for the past 5 years have vigorously opposed the Vietnamese rule in their country. Such imminent fighting in western Kampuchea, however, will definitely bring about a number of undesirable consequences, particularly for Thailand. First, hundreds of thousands of Kampuchean civilians scattered along these hilly and rough jungles will again fall victims to the Vietnamese attacks, sending the exodus of more Kampucheans to the Thai border. Currently, there are already about 60,000 Indochinese refugees encamped in Thailand and another 200,000 Kampuchean displaced persons scattered along the Thai-Kampuchean border depending on food, medicare, and other kinds of humanitarian aid from the Thai authorities and various international agencies. The new arrivals would only add more weight to the already-heavy humanitarian burden and further complicate the refugee problem.

Second, tension along the Thai-Kampuchean border will definitely escalate as a result of the new dry-season fighting. As in the past 5 years, Thai territory has been frequently violated by the Vietnamese. Apart from making several incursions across the Thai border with sheer deliveration, the Vietnamese frequently shelled Thai villages and border towns, causing damage and casualties on the Thai side. This is despite the fact that Thailand has never been a party to the Kampuchean conflict. Actually, it was such Vietnamese military aggression against Thailand that late last dry season prompted Thai foreign minister to put forward to his Vietnamese counterpart during their talks in Bangkok, the proposal to visit Hanoi for talks on Kampuchea should Vietnam agree to withdraw its troops 30 km from the Thai-Kampuchean border.

Air Chief Marshal Sitthi Sawetsila's proposal, apart from being a confidence-building measure to test Hanoi's sincerity in resolving the Kampuchean question, is designed to distance Thai border away from the Vietnamese artillery. Unfortunately, Vietnam rejected the Thai proposal.

With the recent deployment of two 155mm guns, a dozen of 130mm field guns and another 11 105mm artillery at Ban Nimit, which is only 17 km from the Thai border at Aranyaprathet, Thailand is again likely to become a bull's eye of Vietnamese artillery. As in the past, Thailand will exercise its legitimate right to defend itself against any Vietnamese military aggression.

Thai leaders have reiterated that any Vietnamese violation of Thai territory will meet with stiff resistance from Thai forces.

CSO: 4200/344

FIGHTING REPORTED NEAR EAST, WEST, SCUTH BORDERS

BK020908 Bangkok BANGKOK WORLD in English 2 Jan 84 p 1

[Text] Heavy fighting erupted opposite eastern and western borders yesterday and today, while armed clashes continued today inside Thailand close to the Malaysian border in the operation against the CPM [Communist Party of Malaya] guerrillas.

To the East, fighting broke out yesterday morning between Khmer resistance forces and Vietnamese-led Heng Samrin troops inside Kampuchea near Aranyaprathet.

And opposite northwestern Mae Hong Son Province, Burmese government forces continued their suppression of Kareni and Karen rebels with attacks supported by air strikes near the Salween River.

In the 5-year undeclared Kampuchean war, Vietnam yesterday used its 107 mm ground-to-ground missiles, dubbed "Stalin organs," in its battle against resistance forces, according to a Khmer Rouge source.

Fighting reportedly erupted at 6:30 a.m. when a 60-man resistance force attacked a Vietnamese and Heng Samrin base at Kampuchea's Phum Kop Thom opposite Ban Nong Ian, about 18 kilometers from Aranyaprathet town.

Vietnam reportedly fired the 107 mm missile from Phum Nimit.

Inside Burma, meanwhile, the heavy offensive by government forces began on Christmas Eve when Rangoon troops reportedly seized two customs checkpoints manned by Karen rebels at Kakawtha village and Chortha village, opposite Mae Saring District, according to official sources.

Both checkpoints are located on the Salween River which is the common border in the area.

Nearby, Kareni forces have also come under attack during the Burmese offensive and their Customs points had also fallen to the advancing Burmese forces, the source said.

After the attack, Karen reinforcements which are allied with the Kareni forces went to the scene by long-tailed boat.

The Burmese offensive has displaced some 2,000 villagers, both Karen and Kareni, who have fled to live inside Thailand at the areas of Mae Sum Laep village and Phadaeng village in Mae Sariang.

The Thai forces of the Civilian-Police-Military 35th Command are on full alert in Mae Sariang to prevent armed foreign forces from entering Thailand and are ready to repatriate the civilians once the situation calms down.

Meanwhile, in the far South, Thai government forces clashed with Communist Party of Malaya guerrillas at 7:00 a.m. today about 10 kilometers east of Betong in Yala. No report of casualties was available late this morning.

CSO: 4200/344

SPOKESMAN ON PREM RELATIONS WITH MILITARY

BK311500 Bangkok BANGKOK POST in English 31 Dec 83 p 1

[Text] The government will be able to maintain its stability next year if the coalition partners continue to compromise, Government Spokesman Trairong Suwanthiri said yesterday.

His statement coincided with that of M. R. Khukrit Pramot who voiced optimism that the administration would survive its term. The Social Action Party leader also said Gen Prem Tinsulanon was the most suitable person to be the premier under the present circumstances.

Dr Trairong claimed the government so far had been on good terms with the military and would remain so in the future.

The military has proven itself as a strong supporter of democracy, he said. This, he added, was reflected in the implementation of the Prime Minister's Orders 66/23 and 65/25.

The spokesman cited General Prem as a particular person strongly backed by the military.

"This could be clearly seen when General Athit himself led representatives of the three armed forces and the police to wish the premier a happy new year at his Sisao Thewet residence last Wednesday," Dr Trairong said.

He said the government also had solid support in Parliament.

Many doubted the government's stability when it was formed following last April's general elections, Dr Trairong said.

But, he said, the coalition partners had proven that they could compromise on several crucial matters.

Touching on economy, Dr Trairong said Thai farmers were likely to enjoy better prices for their products due to the decreasing farm output worldwide.

He dismissed a report that farmers were selling rice below government-fixed prices.

Though admitting the country was now going through a tight money period, he said this was expected to improve by the beginning of next year.

ARMY POISED TO ATTACK COMMUNISTS IN NAN

BK240535 Bangkok BANGKOK POST in English 24 Dec 83 p 24

[Text] Nan--The last communist redoubt in Phu Miang, straddling Na Haeo District of Loei and Chartrakan District of Uttaradit, would be attacked if a political campaign failed to persuade hard-core guerrillas to surrender, it was reported last night.

Third Army Intelligence Chief Col Wanlop Chittaroek said there were between 300 and 350 communist insurgents in the northern region.

The largest concentration of about 120 men under arms and some 1,000 sympathetic hill tribesmen was at Phu Miang mountain which also borders Laos.

"We will first use political means to draw them out," said Colonel Wanlop. A military operation would cause unnecessary casualties on both sides, he said, and would be a last resort.

The intelligence chief also said the soft approach was being taken following reports that a neighbouring country was trying to recruit the insurgents.

"But so far there has been no sign that the insurgents have accepted the offer to join the other side. So if we do anything decisive now, they may have no choice," he said.

"Apart from Phu Miang, there is no other place in the North which is of our concern," said the colonel.

Before the Vietnamese invasion of Kampuchea in December 1978 and its eventual occupation of the country, Phu Miang was a major crossroad through which military supplies from abroad were channelled to Thai communist insurgents at Hin Rong Kla in Phitsanulok Province and Khao Kho in Phetchabun Province.

CSO: 4200/344

ARTICLE DISCUSSES CPM ACTIVITY IN BETONG

BK310200 Bangkok THE NATION REVIEW in English 31 Dec 83 p 2

[By Paripat Kulasrichan]

[Text] Betong, Yala--District Officer Banyat Chansena said here yesterday that activities of elements of the outlawed Communist Party of Malaya (CPM) in this border town have been on the decline although they continue to collect illegal "tax" from local rubber plantation owner.

He said that ten CPM members and sympathizers have given themselves up to government authorities here in the past year, while the general subversive activities have dropped.

"Compared to last year's activities, the CPM's movements in this district this year have been down sharply, judging from the number of defectors from the jungle, especially in Betong alone where ten CPM members have surrendered in the past year," the district officer said.

He told THE NATION in an interview that because of the jungle terrain, however, the CPM continues to carry out their activities to a certain extent. "But most of their movements have been reported in areas closer to the actual Thai-Malaysian border areas," he said.

He said that the CPM elements have continued to collect illegal tax from the local rubber planters. "It is a longstanding problem. The demand for ransom and protection fees has however been declining to a great extent," District Officer Banyat said.

Crime rate remains low in this province. "In the past year, there have been only four to five major crime cases. Law and order continue to be in good shape here," he claimed.

Smuggling has not been a major issue either, he said, adding that most major smuggling activities are carried out in less forested areas along the border.

The local administration, the district officer said, is in the process of launching a campaign to make Betong a tourist city.

"We want to make Betong a city of flowers. And the campaign will be launched in full force in the new year. We want to draw as many tourists as possible to this town," he said.

ATHIT SEES 'SUBSTANTIAL' DECLINE IN INSURGENCY

BK310331 Bangkok THE NATION REVIEW in English 31 Dec 83 p 2

[Text] Supreme Commander Gen Athit Kamlang-ek said yesterday that the year 1983 saw substantial decline in internal communist insurgency and a large number of terrorists and their sympathizers have defected to the government.

In his review of national security for the year, General Athit, who is also the army commander-in-chief, said many communist insurgents in the north, north-east and parts of the central region, have laid down their arms.

"However, there remain the minority of insurgents who continue their operations. It is the government duty to reach mutual understanding with them and launch suppression as may be necessary," General Athit said.

The overall situation has remarkably improved and the current insurgency is not beyond the capability of government authorities to contain, he said.

The armed forces, he said, have joined force with police authorities in combatting criminal activities in Bangkok and nearby provinces.

"The military has also played a part in suppressing criminals in other provinces such as Lopburri, Prachuap Khiri Khan and Nakhon Si Thammarat as well," he said.

The country will be cautious in observing border situations next year as fighting in neighbouring Kampuchea will intensify in the upcoming dry season. "We will beef up our border forces to prevent spillover of fighting," he said.

CSO: 4200/344

'MISUNDERSTANDING' BLAMED FOR HAN AIDE FUROR

BK210119 Bangkok THE NATION REVIEW in English 21 Dec 83 p 5

[Text] Deputy Defence Minister ACM [Air Chief Marshal] Phaniang Kantarat said yesterday that the army will not take action against Maj Pathomphong Kesonsuk when he reports to his original command in the south.

He also described the controversy surrounding the army officer as a result of "misunderstanding."

Speaking to reporters before attending the weekly cabinet meeting at Government House, ACM Phaniang explained that copies of the controversial order for the transfer of Major Pathomphong, signed by Defence Permanent Secretary Gen Chamnan Ninwiset, were not "officially distributed."

"But Major Pathomphong had the only copy of the transfer order which was legally valid," he said, adding that the transfer order was not made in accordance with official procedures.

General Chamnan issued the order transferring Major Pathomphong from the Fourth Army Battalion of the Hat Yai-based Fifth Infantry Regiment to the Office of the Defence Permanent Secretary.

The order was subsequently overruled, but Major Pathomphong insisted on its validity and refused to report to his command in Hat Yai when he was supposed to.

ACM Phaniang issued another order dated 16 December to invalidate the transfer, practically putting an end to a controversy which threatened to grow more serious.

The deputy defence minister said Major Pathomphone must report to his original command in the south. "And it is my understanding that the army will not take any action against him" he said.

Major Pathomphong has said that he is afraid of harassment if he returns to the Fourth Army Battalion of which he is deputy commander. He said last week that he had resigned from the army.

But secretary of the army Maj Gen Narudon Detpradiyut argued that the resignation was not valid since the investigation against him had not yet been completed. Major Pathomphong was investigated for taking part in a public panel discussion without the authorization of his superior.

However, ACM Phaniang said that the investigation was finished and its result sent to the army, which will decide whether to accept Major Pathomphong's resignation.

CSO: 4200/344

RICE GIVEN TO LAOS AT FOREIGN MINISTRY CEREMONY

BK040726 Bangkok Domestic Service in Thai 0530 GMT 4 Jan 84

[Text] At 1000 this morning Foreign Minister Air Chief Marshal Sitthi Sawet-sila, on behalf of the Thai government, handed over 200 metric tons of glutinous rice to a Lao representative during a ceremony at the Foreign Ministry. The foreign minister said:

"The Thai government and people have a firm and sincere desire to undertake all measures to promote and strengthen friendly relations and fraternal cooperation with Laos in the interest of the prosperity of the peoples on both banks of the Mekong River. Today's donation of glutinous rice to the fraternal Lao people is based on this desire, as were past such donations. In addition, it is a pleasure to note that the Thai and Lao governments have agreed to hold a national-level meeting of the Thai-Lao border committee in Bangkok from 12 to 16 January. I am confident the meeting will proceed in a friendly atmosphere as has been the case in previous meetings. I regard the meeting as another major step in the development of Thai-Lao relations which will lead to progress in neighborly relations between our two countries for the genuine and common benefit and happiness of the Thai and Lao peoples."

Lao Ambassador Khamphan Simmalavong, representing the Lao government, then expressed gratitude for the Thai Government's donation. He said:

"I am pleased and honored to participate in this ceremony organized by the Thai Foreign Ministry. I wish to express appreciation to Your Excellency the foreign minister for your remarks contributing to an atmosphere favorable to the development of friendly relations between the Thai and Lao peoples. On behalf of the LPDR government and Lao people, I wish to express sincere gratitude and pleasure to Your Excellency and, through Your Excellency, to the Thai government and fraternal Thai people for their assistance of 200 metric tons of glutinous rice despite Thailand being strongly affected by floods, such as in Bangkok."

CS0: 4207/58

BRIEFS

IRANIAN TRADE DELEGATION--Thailand should consider buying Iranian oil to offset the trade surplus with Iran, the chairman and managing director of Iran's Government Trading Corp, Dr M. Movahedizadeh, said yesterday. During a visit to the Commerce Ministry, he told Minister Koson Krairoek that Iran, with its large population, was a potential market for all kinds of Thai products, but Thailand should also buy more from Iran. Annual bilateral trade has averaged about 3,000 million baht in favour of Thailand. Dr Movahedizadeh is visiting here with an Iranian team to discuss purchases of Thai rice, maize and tapioca. [Excerpt] [BK070415 Bangkok BANGKOK POST in English 7 Dec 83 p 17]

JANUARY-NOVEMBER RICE EXPORTS--Thai rice exports in the first 11 months of this year increased slightly by 1 percent in volume but decreased by 5 percent in value, compared to the same period last year. Despite the value drop, rice exports during the period reached the target set for this year. The Commerce Ministry has set the rice export target for this year at 2.2 [as published]-3.5 million [metric] tons. a total of 3,355,573.8 tons of rice worth 19,105 million baht were exported in the period, against 3,320,677 tons worth 20,095.3 million baht last year. More than 200,000 tons of rice are expected to be shipped out this month, bringing the total export this year up to more than 3.5 million tons. [Text] [BK070415 Bangkok BANGKOK POST in English 7 Dec 83 p 17]

PULO RELIGIOUS LEADERS TO SAUDI ARABIA--A Pattani United Liberation Organisation (PULO) faction has sent a group of 13 religious leaders to Saudi Arabia to undergo religious training, an official report said. The report, received recently by the Interior Ministry, said this was a new tactic using religion as a means to resist the government's successful Tai Rom Yen pacification plan. The new and as yet unnamed movement has apparently decided that the best way to counter the Tai Rom Yen plan is to exploit the South's predominately Muslim population, the report added. It said the movement has already sent a number of religious leaders to the Middle East for religious training and on their return, they would be sent to various parts of the South to try and convert the people. The leaders had been chosen for their high intelligence and leadership qualities, the report added. [Text] [BK010141 Bangkok BANGKOK POST in English 1 Jan 84 p 3]

MILITARY AFFAIRS AND PUBLIC SECURITY

CLANDESTINE RADIOS REPORT ON BATTLEFIELD ACTIVITY

Guerrilla Attacks in Central Vietnam

BK240411 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2300 GMT 23 Dec 83

[Text] Here is a report on the battle activities of guerrillas in the Central Highlands of Vietnam opposing the Le Duan soldiers:

Play Cu battlefield: On 1 October 1983, in an ambush on a road leading from (Play Chreav) to (Play More) in (Buon Ha Kum) district, the guerrillas killed two Le Duan soldiers and seized an AR-15. On 6 October, guerrillas ambushed Le Duan soldiers at [name indistinct] hamlet, wounding four. On 15 October, guerrillas attacked the Le Duan soldiers at (Play Kaoh) hamlet in the same district, killing three and seizing two AR-15's. On 28 October, they attacked Le Duan soldiers at (Play Doro) plantation, killing 15 and wounding 2. On 30 October, guerrillas killed a Vietnamese soldier and wounded two others during an attack on [name indistinct] hamlet.

In sum, the guerrillas in the Central Highlands of Vietnam killed 21 Le Duan soldiers, wounded 8 others, and seized 3 AR-15's.

Dega-Fulro Guerrilla Combat

BK250834 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 24 Dec 83

[Text] Here is a report on the battle activities of the Dega-Fulro guerrillas on Play Cu battlefield:

On 1 October, the Dega-Fulro guerrillas attacked the Le Duan Vietnamese enemies on the road from (Plei Truong) to (Plei Ma), killing two enemies and seizing an AR-15. On 6 October, the Dega-Fulro guerrillas attacked the Le Duan Vietnamese enemies at (Phic Cai) mountain, wounding four enemies. On 15 October, the Dega-Fulro attacked the Le Duan Vietnamese enemies in (Plei Khvas) village, killing three enemies and seizing two AR-15's. On 28 and 30 October, the Gega-Fulro guerrillas attacked the Le Duan Vietnamese enemies in an area east of (Plei Baro) village and in (Plei Peiri) village, killing 16 enemies and wounding 4 others.

In sum, the Dega-Fulro guerrillas inflicted 29 casualties on the Le Duan Vietnamese enemies and seized 3 AR-15's.

SRV Youths Conscripted in Central Highlands

BK280312 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2300 GMT 26 Dec 83

[Text] According to reports from central Vietnam, due to a serious shortage in the fighting force to be sent to Kampuchea, on 25 November the Le Duan soldiers busily drafted Vietnamese youths in (Kang Duc) in the Central Highlands of Vietnam to replenish their depleted forces on the battlefield of aggression in Kampuchea. This time, they conscripted 200 youths by tricking them into believing they were being taken to harvest rice in [words indistinct] province. Upon their arrival, the youths were armed. However, 160 youths fled home as soon as they were armed; the remaining 40 were sent to fight in Kampuchea. The reports say that these remaining youths were closely watched by the Le Duan soldiers for fear they would desert the battlefield of aggression in Kampuchea.

Activities of Dega-Fulro Guerrillas

BK280414 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 26 Dec 83

[Report on the combat activities of the Dega-Fulro guerrillas on the Ban Me Thuot battlefield]

[Text] On 12 October, the Dega-Fulro guerrillas ambushed two trucks of the Vietnamese Le Duan enemy on Route 14 and in an area east of (O Ya Tus) bridge on Route 21. They destroyed the two trucks, killed eight of the enemy soldiers on the trucks, and seized an AK. On 14 and 16 October, the Dega-Fulro guerrillas attacked the Vietnamese Le Duan soldiers west of (Huot Hah) hamlet, at (O Yang Thuot), and in an area south of (Na Miri) hill, killing two, wounding two, and seizing two AK's and three hand grenades.

In sum, on the Ban Me Thuot battlefield, the Dega-Fulro guerrillas killed or wounded 12 Vietnamese Le Duan soldiers, destroyed 2 trucks, and seized 3 AK's and 3 hand grenades.

Campaign Launched Against Resistance

BK290200 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2300 GMT 28 Dec 83

[Text] According to reports from Vietnam, following successive disruptions by the resistance movement in Vietnam's Central Highlands against the Le Duan soldiers, on 16 October in (Phnum O Tun) district, the Le Duan soldiers carried out a large-scale attack against the resistance movement in this area in an attempt to reverse their (?deteriorating) situation. However, they did not achieve their goal. The reports say that during this campaign, the Le Duan soldiers savagely repressed the people. They killed six villagers who were on their way to harvest rice. Furthermore, two people, along with many others,

were arrested, tortured, and (?electrocuted). They were accused of being informers of the Central Highlands guerrillas.

Currently, both the Vietnamese people and the ethnic minorities are furious with the Le Duan clique and are conducting activities to vigorously oppose it throughout Vietnam.

Persecution of SRV Central Highlanders

BK300436 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT
29 Dec 83

[Text] On 16 December in (Pheok Ampoe) village, (Dega) Central Highlands, the Le Duan Vietnamese ordered their forces to conduct sweep operations against the Dega-Fulro resistance forces. The Le Duan Vietnamese soldiers encircled villages to arrest people on their way to work in the rice fields. Two were arrested, tortured, and then imprisoned, accused of having contact with Dega-Fulro forces

On 25 October in (Kantreat Chak) village, (Karon Tor), the Le Duan Vietnamese soldiers requisitioned an ox from each village. People in villages which refused to supply the animal were accused of being accomplices of the Dega-Fulro guerrillas and would be either imprisoned or executed.

This is the cruel and most savage nature of the Le Duan Vietnamese. They are cruel and savage even with their own people who are being relentlessly arrested and executed. With the Kampuchean people--whom it is their policy to exterminate--the Vietnamese are even more savage and fascist. The Dega-Fulro people, like the Kampuchean people, are very angry with the Le Duan Vietnamese. The Kampuchean people are determined to struggle and smash the Vietnamese enemy aggressors until they are out of Kampuchea. As for the Dega-Fulro people, they are uniting with the entire Vietnamese people--who have been suffering under the Le Duan clique's regime--and rising up to struggle and oppose this regime until it is destroyed.

CSO: 4212/21

ECONOMIC PLANNING, TRADE AND FINANCE

SOCIOECONOMIC NORMS SET FOR HANOI TO ACHIEVE BY 1985

Hanoi NHAN DAN in Vietnamese 29 Nov 83 p 3

[Article: "Hanoi, 1985 -- Major Socioeconomic Norms"]

[Text] Living standard: From 1983 on, to strive to obtain monthly increases of .5 kg of fish, .5 liter of fish sauce and 1 kg of bean cake for every cadre, worker and civil servant and members of the armed forces. Not to let a shortage of vegetables in the preharvest period happen; to get more medicines for treatment of diseases; to supply children with eggs and milk.

Industry: To raise the value of industrial output by 56 percent compared to 1982 (average increases of central industry by 14.4 percent and local industry by 18 percent). To pay attention to improving the quality of products.

Agriculture: Grain: 50,000 tons converted to paddy equivalent. Obligation to be fulfilled: 110,000 tons of paddy. Tobacco: 5,000 hectares, 4,500 tons to be sold to the state. To buy 110,000 tons of vegetables.

Animal husbandry: The collectivized sector and families of cooperative members to have a herd of 520,000 hogs; volume of pork produced: 24,000 tons; to sell to the state 16,000 tons.

- The state-operated sector: 35 million eggs, 1,800 tons of fowl meat, 5,500 tons of pork.

- Ducks to be raised: 2 million heads.

- To sell to the state 3,500 tons of fish.

- To develop raising of water buffaloes and cattle in Ba Vi, Me Linh and Soc Son.

Export and import: Value of exported goods: 61 million rubles and 17 million dollars.

Distribution and circulation: The organized market to account for 70-75 percent of the total volume of retailed goods.

Capital construction: In 3 years (1983-1985) to build anew 300,000 square meters of housing in concentrated areas and subareas.

Labor and population: To reduce the natural rate of population increase by 1.5 percent (in the urban wards by 1 percent).

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AGRICULTURE

FORESTRY PLAYS CRUCIAL ROLE IN AGRICULTURAL DEVELOPMENT

Hanoi NHAN DAN in Vietnamese 29 Nov 83 pp 2, 4

[Article by Minister of Agriculture Nguyen Ngoc Triu: "Combining Collective Ownership of Labor and Land With Forestry Is a Necessity for the Existence and Total Development of Agriculture"]

[Text] Association of Agriculture, Forestry

Being a biological business sector, agricultural production is affected by the environment. The association between crops and animals on the one hand and the changes of such factors as land, climate, weather, water sources, etc. on the other is a guarantee of success or a loss of crops in agriculture. Among these factors forests play an extremely important role. Forests not only contain their own resources but also make major contributions to creating and enriching other resources like land, climate, weather and water sources. They truly are the "companion" that agriculture cannot afford to lack.

Because of topographical features, our country's forests are mainly distributed in the highlands and midlands. All the water sources of our rivers come from the western headwater forests being found all the way from the north to the south. Thanks to the covering effects of their canopies, our forests have been able to stop the water flow from high grounds, limited erosion and prevented soil from being washed away under the bitter conditions of the tropical rainy season and at the same time retained the necessary amount of water for adjustment in the dry season.

The forests in the western part of Region 4 and the Central Highlands act as a barrier to weaken the bone-dry westerly winds, which directly affect agriculture in these regions. The rows of trees in the fields and the forests that stretch along the coast really are the "assault troops" fighting against winds and storms, stopping sand from spreading and protecting production and the fields. In the areas of alkaline and saline soil of Dong Thap and U Minh in the Nam Bo delta, the cajuput, mam (*Avicennia marina*) and mangrove forests

fulfill the task of retaining water, producing fresh water, slowing down the alkalizing and saltifying process, improving the soil and opening up the chances of further exploiting this fertile region.

In addition to their function of covering the soil, creating climatic subzones, retaining water, humidity, and so on for agriculture, forests also are interminable sources of raw materials for development of occupations in rural areas and help to create favorable conditions for switching a part of the manpower in agriculture to doing specialized work or for developing secondary occupations, producing consumer goods and goods for export and achieving division of labor within geographical regions and in agricultural cooperatives.

The direction, both immediate and long-term, for development of our country's agriculture is to develop a total agriculture on the basis of attaching importance to all three aspects -- intensive cultivation, multicropping and extending the cultivated area. Since developing a total agriculture requires that we resolve such problems as protecting and improving the soil, protecting water sources, retaining water and humidity, protecting the environment and ensuring an ecological balance in every production zone, we must promote it within a close association with protecting and improving our forests and with afforestation. Agricultural production can be vigorously and steadily developed only if the fertility of the soil is protected and strengthened. Under the conditions of a country having a tropical climate as our own, although there are advantages, difficulties like frequent but irregular rains and very frequent storms are still plentiful; in this case, forests and their creeper systems serve as barriers to protect the soil from erosion and to keep and improve its fertility.

Recognizing the role and usefulness of trees and forests, in the last several years, along with the "Plant new trees during Tet to show an eternal gratitude toward the Uncle" movement, many localities throughout the country have launched afforestation movement of their own and have obtained great economic results. Many forms of combining agriculture with forestry have become creative models in many high plateau, midland and highland areas. Many economic organizations (including state farms, state forests, cooperatives, etc.) have set the afforesting task one of their production and business goals to be fulfilled. The production realities, the practical sign of which is the creativity in combining agriculture with forestry, have shown our great capabilities and actual ability to quickly use all of the uncultivated land and bare hills to bring about good economic results.

Combined agriculture and forestry is a scientific mode of production. This mode of production by itself can bring about great economic benefits, but it is also a necessary condition for the existence and development of agriculture. The realities and scientific conclusions of our country and the world have confirmed this necessary relationship. As we talk about agriculture, we cannot

help talking about forestry. The association of agriculture and forestry is a kind of unified action within each sector, with division being only relative. One cannot grow crops in a normal manner on slopes if one does not interest oneself in afforesting and taking care of protective forests. Orchards and long-term industrial crops, in addition to being harvested every year, also fulfill the covering function as forests do.

There was a time when a mechanical concept of division separated forestry from agriculture by letting agriculture manage any land having a slope less than 25 degrees and by considering any crops agriculture was being in charge of agricultural ones and any trees forestry was being in charge of the crops of the forestry sector. That kind of division failed to bespeak the purpose nor to reflect the objectivity of the harmonious association between agriculture and forestry.

We believe that every area and every practical economic unit, on the basis of its own land and its capabilities and conditions, must adopt the most effective arrangement for a crop system combining agriculture and forestry to ensure a fruitful undertaking for both the short and long term. An agricultural production unit must possibly plant and exploit forests and do business in forestry. A unit specialized in forestry also must possibly make arrangement to engage in agricultural production. With this in mind, we have even more reasons to understand that for an agricultural unit planting a few trees in a forest or a forestry unit raising a few domestic animals under a forest canopy that does not mean it has achieved a combination of agriculture and forestry!

Why do we not assign the state forests that have the land capabilities and conditions to plant long-term industrial crops? And why do we not assign the agricultural cooperatives and state farms to manage and improve forests, to plant new forests and to do business in forestry? Only on the basis of correctly understanding the natural relationship between agriculture and forestry can we create practical models and adopt scientific policies and measures to resolve the combined agriculture-forestry relationship.

Appropriate Planning Direction

Depending on two important natural factors influencing the pattern of production in combined agriculture-forestry, namely the soil and the climate, on the basis of determining the capabilities of raising domestic animals and growing crops within different terrain conditions (including elevation of terrain and the relationship between the sea and the land), and with the view on combining agriculture and forestry, the agricultural and forestry sectors are to take a unified step in connection with the new direction of planning, i. e., to divide our country's natural land into ecological zones, which we temporarily call agriculture-forestry planning based on terrain and natural ecological factors.

This new direction of planning reflects the economic and technical contents linked with the land-use goal and serves the need for rearranging production, which the division into seven administrative zones has so far failed to reflect.

1. The coastal zone consists of all of the land being close to the sea and being directly affected by the sea. This zone extends from Mong Cai to Ha Tien.

The pattern for combined agriculture-forestry production here is growing a group of rice varieties that tolerate the saline and alkaline soil, rush and a group of sand-fixing crops; improving the soil; and planting trees to create protective forests, which will provide small timber and firewood. Fruit trees can also be planted here, like coconut which some localities like Binh Duong Village of Thang Binh District (Quang Nam-Da Nang Province) have actually planted.

2. The inland-fields zone consists of the ricefields that are not much affected by the sea and have an absolute elevation of about 25 meters.

The pattern for combined agriculture-forestry production here is widely growing grain crops, mainly rice, short-term industrial crops and fruit trees; creating protective forests; and fully using ponds and lakes to raise fish.

3. The semimountainous zone consists of the intermediate belt separating the delta and the highlands. This zone includes the midland areas of the north, the central part and most of eastern Nam Bo. It looks like a region of few ricefields, lots of hills and generally continuous terrain. Its elevation is 25-300 meters.

The pattern for combined agriculture-forestry production here is as follows: rice, sweet potato, soybean, peanut, tobacco, sugar cane, pineapple, meadows for cattle raising (generally in all districts), long-term industrial crops such as tea and tung trees in the north; coffee, oil palm and pepper in the southern part of Zone 4 and coastal areas; lon hot peach and fiber-rich pineapple in southern Trung Bo and eastern Nam Bo; rubber, mainly in eastern Nam Bo; citrus crops in northern Trung Bo; and forestry and large-timber forests in the southern part of Zone 4, coastal areas of Trung Bo and eastern Nam Bo. In the northern part of this zone, the pattern is mainly creating forests that provide small timber and firewood.

4. The low mountainous zone has an elevation of 300-700 meters in the provinces in the north and north of former Zone 4 and 300-900 meters in the Trung Bo provinces. The terrain in this zone has a greatly cut and interrupted contour.

The pattern for combined agriculture-forestry production in this zone is as follows: rice, subsidiary food crops, grain crops, beans, meadows for cattle raising for all areas; tea and tung trees in all northern provinces; rubber, coffee and oil palm in Trung Bo provinces; tru mo, cinnamon, anise and trees providing fibers and raw material for making paper in Bac Bo provinces; and large-timber and pine forests in Trung Bo provinces.

5. The high mountainous zone consists of the mountain ranges higher than 700 meters running from Bac Bo to the Central Highlands. The terrain in this zone has a greatly cut and interrupted contour.

Due to the advantage of a high terrain, the agricultural pattern can include such temperate-zone crops as vegetables for seed production, pear, apple, prune, peach; purebred black-and-white spotted dairy cows (Moc Chau District and Lam Dong Province). Headwater forests, large-timber forests and shellac as a main crop are also the goals of concentrated efforts in this zone.

On the basis of planning for the five above-mentioned zones, we will adopt a system of planned crop cultivation and animal raising patterns suitable for different ecological zones both to create a large volume of agricultural and forest products that can satisfy our daily-life and export needs and to fulfill the functions of forests.

In this direction, agriculture along with forestry will organize and build various forms of agriculture-forestry or forestry-agriculture cooperatives of appropriate sizes that will be economically effective. Continue to properly implement the policy of assigning land and forests to cooperatives for management in the midlands and highlands. Transfer early the ethnic minority people who are leading a nomadic life and doing nomadic farming and a part of the work force among agricultural cooperatives in the highlands where the average cultivated area is small to doing specialized work in forestry.

To achieve the economic objectives, including improving the ecological system of natural forests, building the ecological system for man-made forests and building long-term industrial crop zones, such as rubber, coffee, jackfruit and fruit-tree forests, raw materials-supplying forests, and so on is to properly fulfill the functions of forests in the combined agriculture-forestry system. Agriculture and forestry will together have plans for gradually building agriculture-forestry zones in different terrains in order to transform the environment and at the same time to satisfy the economic needs without affecting the ecological balance.

Solution Without Forest Destruction

The question being raised here is how to resolve the grain problem in the highlands and hilly zones. How can we resolve both the grain problem and the hills- and forests-based economy? For some time there have been opinions pointing to the fact that a shortage of grain led to destroying forests to get land to grow grain crops. It was true that such a situation existed, but it was not totally true. As we have repeatedly explained, there were many reasons behind the destruction of forests and to resolve the grain problem was only one of them.

The realities of the recent time affirmed that we could resolve the grain problem without having to destroy any forests at all. With new technical progress in connection with crop cultivation and crop season patterns, with high-yielding varieties suitable for the terrains of highland and midland provinces, in addition to the measures taken to achieve a high degree of intensive cultivation, which were concentrated mainly on the wet-rice fields, many localities which had been encountering many difficulties for some time were making gradual progress in recent years toward resolving their grain problem. In addition to the intensive cultivation measures, they were actively exploiting the benefits of multicropping. According to the 1979 statistics, the northern highlands and midlands had 170,000 hectares of fallow land where they grew only the tenth-month rice crop. After Tan Moc Cooperative (in Luc Ngan District, Ha Bac Province) had successfully added a spring soybean crop which was grown to produce seeds and was the precondition for practicing intensive cultivation in the tenth-month season, many localities began to do the same; and that practice has become a habitual one. And that also contributed to raising the rice crop yields as obtained by the highland provinces as a new development.

In addition, in order to exploit the sloping-land areas while ricefields have not yet been built and forests have not yet been replanted, we should grow the crops that can thrive in dry soil to protect and improve the latter while contributing to resolving the grain and food problem, such as dong rieng (*Phrynium parvillorum*), peanut and sugar cane for growing on hills, etc., and to help resist erosion and washing of topsoil. If we can achieve this, we will not only resolve the grain problem in a definite manner but also return to the task of raising and developing our forests. And the grain problem of the midland and highland provinces must be raised and resolved within the provincial terrains.

Another important direction for agriculture-forestry to take is to obtain the largest volume of product in a given unit area and to maintain soil fertility as land is used year after year. Therefore, whether our work is in agriculture or forestry, whether we produce grain, grow industrial crops or plant

trees in forests, we must attach importance to intensive cultivation and soil improvement measures. In accordance with the experience of people in a number of areas, what we should worry about is the fact that some forest land is being threatened by degradation after one or two cycles of planting trees to create man-made forests. Consequently, to determine the suitable trees to be planted in forests, to ensure the purposes of using land, improving the soil, and so on should be considered in a broad manner and in many aspects, included in programs of studies and subjected to conclusions in order to avoid mistakes and failures, which will lead to regrettable consequences in the long run. This is a major subject having to do with determining the crop cultivation pattern within the guidelines on creating man-made forests.

Strengthen studies and bring into production the progressive techniques of planting trees and afforesting, with importance being attached to combining them with the people's traditional experiences. Exploit the tropical climatic conditions and build a multilayered forest system with appropriate contracting mechanisms as Nang Yen (Vinh Phu Province) has done, for the purpose of obtaining large volumes of products, including the valuable specialized-product crops.

An extremely important matter is to ceaselessly strengthen and consolidate the new production relationships in the highlands. Due to such characteristics as production conditions, terrains and socioeconomic matters (including the customs and habits of the highland ethnic minorities), we must adopt various forms of organizing basic level economic units and applying dynamic management mechanisms that are suitable and easy to adopt for the minority people while ensuring the principles that both collectivize labor, means of production and the principal manpower and step up the development of agriculture- and forestry-based economy in the highlands. On the other hand, we also need to extend the forms of joint enterprise and economic association among agriculture-forestry production units in each area and between the delta provinces and districts and the highlands.

To combine agriculture with forestry is an objective requirement of life. To plant, take care of and protect trees and crops in general and trees in forests in particular is the task of all our party, people and army. With the people's tree-planting movement, continuing the "Plant trees on the occasion of Tet" movement, which had been launched by beloved Uncle Ho, we will surely make the country's green color brighter and bring about the multifaceted economic gain. This is also a strategic task aimed at consolidating and protecting our natural resources and protecting the long-term happiness for the country's future generations.

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